



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, January 28, 1957

THE QUEEN'S PRINTER
TORONTO
1957



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LEGISLATURE OF ONTARIO

DEBATES AND PROCEEDINGS

OF THE

THIRD SESSION OF THE TWENTY-FIFTH LEGISLATURE OF THE
PROVINCE OF ONTARIO, HELD IN THE LEGISLATIVE
ASSEMBLY CHAMBER, PARLIAMENT BUILDINGS,
TORONTO, ONTARIO, MONDAY,
JANUARY 28, 1957.

ET SEQ.

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

Monday, January 28, 1957, being the first day of the Third Session of the Twenty-fifth Legislature of the Province of Ontario for the despatch of business pursuant to a proclamation of The Honourable Louis O. Breithaupt, Lieutenant-Governor of the province.

MONDAY, JANUARY 28, 1957

3 O'CLOCK P.M.

And the House having met,

The Honourable, the Lieutenant-Governor of the province then entered the House and, being seated upon the Throne, was pleased to open the session by the following gracious speech.

HON. L. O. BREITHAUPT
(Lieutenant-Governor): Mr. Speaker and members of the Legislative Assembly of Ontario:

It is a pleasure to welcome you to this Third Session of the Twenty-fifth Legislature.

During this session, you will have occasion to consider and act on many matters of far-reaching importance. Ontario's great economic achievements have been accompanied by problems of growth—problems that the province must overcome if its progress is not to be arrested.

The Ontario economy during the past year again recorded a spectacular advance, continuing the expansion that has been the dominant feature of the post-war years. Ontario's population,

now 5.5 million, has been increasing, as has its industry, at a more rapid rate than that of the rest of Canada.

While this remarkable growth has brought higher living standards, it has also imposed heavy burdens on the province and its people. With this expansion have come unprecedented demands for schools, universities, hospitals, highways, municipal roads, water and sewage works and many other services related to health, welfare and development. These services are at the very foundation of our prosperity and progress. They constitute a crystallization of demands upon the province across a wide and varied front and present it with the most formidable challenge in its history.

Owing to the contraction of public works during the depression and war years, the province and its municipalities, since 1945, have been obliged to undertake major programmes designed not only to meet this backlog of need but also the demands arising from the accelerated postwar growth of population and industry. To cope with this situation, the province, for more than a decade, has

carried out a programme of capital investment which is incomparably larger than anything ever before attempted.

In the last decade more than \$1.25 billion has been spent in providing over a threefold increase in Ontario Hydro's electric power capacity. Rapidly increasing motor vehicle registrations, now totalling over 1.7 million, have necessitated the spending of huge sums to extend and improve our highways system. During this period, \$1.25 billion has been provided in assistance to our municipalities, nearly half of which has been spent on education.

Rapid population growth has made it imperative that a large-scale increase in hospital accommodation be provided in both the public general hospitals and mental institutions. Assistance has been provided for housing during a period in which new accommodation for more than one million people has been built. In almost every phase of provincial activity, huge amounts of provincial money have been required to meet the needs of a growing economy.

Marked progress is being made in bringing into operation several major projects which will have far-reaching implications. The St Lawrence power project — long talked of — is rapidly becoming a reality. The construction of a nuclear power demonstration plant, which we are confident will be the forerunner of practical power generation from uranium—a great Ontario asset—is being undertaken near Chalk River. Our mounting power requirements strongly underline the need for western gas and oil, and the year 1957 will undoubtedly be one of exceptional progress in the transmission of these vital power and energy resources.

To meet the requirements of our municipalities for fresh water supplies and for the control and abatement of pollution, the Ontario Water Resources Commission has been formed.

These and other developments which are under way or in the planning stage will add to the strength and well-being of our country. At the same time, they emphasize the requirements of the prov-

ince and municipalities for additional revenue and capital money.

In these matters, regard must be had for the position of the municipalities. There is no better evidence of the partnership arrangement which exists between the province and the municipalities than the fact that 40 cents of every dollar of the province's revenue is now being paid out in grants to municipalities, school boards and other local agencies. This means, at the municipal level, that for every \$2.00 raised by way of taxation an additional \$1.00 is added from the provincial level. At the last session you authorized grants to municipalities totalling \$185 million. This year, you will be asked to approve a further substantial increase.

You will be asked to consider matters involving far-reaching municipal reforms. The government's policy designed to bring about an equalization of municipal assessment for determining grants has made excellent progress, but this work will have to be accelerated. With provincial grants of the magnitude now being paid, a common yardstick of assessment for grant purposes is essential to provide a uniform basis for the equitable distribution of these grants.

Wise municipal administration, combined with a tenfold increase in provincial grants in the last dozen years alone, has served remarkably well to contain municipal tax levies in terms of constant dollars.

Indeed, after allowing for the rise in prices and income and the growth in population, municipal tax levies are lower today than they were 15 to 25 years ago. Despite this, the immense need for education and other services in this fast-growing province demands reforms and additional assistance, all of which you will be asked to consider. The province and its municipalities face a continuing expansion in the demand for the services they render, and solutions must be found.

Underlying the municipal problem is that of education. The needs of our children, who are at once our greatest responsibility and our greatest asset,

require that education continue to receive our closest attention. Formidable as it is, the problem of providing classroom accommodation is not the only one: that of increasing the supply of teachers is equally pressing.

School population has now reached 1.1 million—an increase of 66 per cent. in the last 10 years—and it will double in the next 15 to 20 years. Plans will be placed before you to help our municipalities meet their educational and other requirements, not only fiscally but administratively.

During the past year discussions were held with the Government of Canada and with other provinces to evolve for the next 5 years a system of fiscal arrangements that would provide this province with revenues more in accord with its needs. While some favourable adjustments were obtained, the arrangements which have emerged fall far short of providing this province with a fair and equitable solution.

As a result of the high federal rates of tax first imposed during the war years, the federal government's treasury has been filled to overflowing. The federal government has been able to finance out of current revenues not only all of its ordinary and capital expenditures, including some capital commitments extending over many years, but also to retire debt. Debt retirement is sound and desirable, but the paradox of declining federal debt and rising provincial and municipal debt cannot be accepted with equanimity.

Looking ahead, no abatement in the need for provincial and municipal capital works is in sight. Indeed, any slackening in development could only limit Canada's economic future. Studies made during the past year indicate the impressiveness of the programme of public projects ahead — a programme that is fundamental to the strengthening of our country and province and to the raising of the living standards of our people.

The federal government's failure to face up realistically to the changing pattern of provincial and municipal requirements in this great tax-earning province

makes our task infinitely more difficult. The problem is further aggravated by the rise in interest rates and the restriction on credit. If the provincial and municipal programme is to go ahead and if we are to better our way of life, additional revenues must be obtained. You will be called upon to consider and act on these highly important matters.

At the last session, the Legislature had the opportunity of reviewing in a very practical manner the subject of hospital care insurance. Since then, it has continued to receive intensive study. A sound, practicable plan has been submitted to the federal government as a basis for a federal-provincial agreement.

One of the requisites of the plan is an efficient administration which will prevent it from being submerged in unnecessary costs. Full details will be presented to the Legislature, and ample opportunity will be afforded for discussion.

You will be asked to consider amendments to The Ontario Hospital Services Commission Act, 1956, and to approve a complete revision of The Public Hospitals Act. During this year the new cancer institute, one of the most modern centres for diagnosis and treatment, will come into operation. You will be asked to consider enactments providing for the operation of this institute.

A further expansion of the production of polio vaccine now makes it possible to assure, before the end of next June, the immunization of all children between the ages of 6 months and 19 years. This will mean that by that time 1.6 million children will have received at least two inoculations of vaccine.

The government is constantly seeking and applying new scientific measures to maintain a healthy and well-adjusted population and to accelerate the restoration to normal, useful lives of individuals who are physically or mentally handicapped or in other difficulties. New techniques and methods of treatment are bringing about extremely encouraging results in short-

ening the stay of mentally ill patients in Ontario hospitals.

In another related field—tuberculosis—heartening strides have been made in reducing the incidence and mortality rates of this dread disease. So effective has been this new programme, using the latest medical methods, that full recovery is now achieved in some cases which formerly would have been considered hopeless. In many others, the time of confinement in hospital has been greatly reduced.

It is confidently expected that services for the treatment of tuberculosis as well as mental illness will be embodied in the hospital-care plan.

The government's comprehensive programme of welfare is being extended. Persons with physical and other handicaps are increasingly afforded opportunities to undertake useful work. Many who have been disabled as a result of disease or injury are being given vocational training. The emphasis is upon making such persons self-supporting. So successful and gratifying have these results been that the programme is now province-wide in its operation.

Attention is also being given under welfare legislation to the betterment of the position of children under The Mothers' Allowances Act through broadening the basis of payments. You will be asked to approve legislation to substitute for the existing flat rates a schedule of allowances which recognize the budgetary needs of families.

Steps are also being taken to make available dental care and treatment to all Ontario children under 18 years of age who are the sons or daughters of social assistance cases. There has been a gratifying increase in the number of homes for the aged coming into operation, and this programme is being continued. This additional accommodation will relieve the pressure on our public general hospitals.

Agriculture, in its key relationship to the province's economic development and activity, is also receiving the close attention of the government. Arising

out of the decision of the Supreme Court of Canada in respect to the marketing of farm products, legislation will be submitted to you for your consideration and action for the development of sound farm marketing plans.

The province's research and extension services are being augmented. With the extension of agriculture in northern Ontario, plans are being made to broaden assistance and supervisory services.

The province is experiencing a remarkable expansion of its mining industries. Several new mining areas, the future potential of which is incalculable, are coming into operation. To meet the conditions emerging, the government proposes to enact new legislation.

You will be asked to approve amendments to The Mining Act providing for the separation of surface and mineral rights in Crown lands. Under this legislation, mining rights may be obtained under the same conditions as in the past, except that surface rights that are not required for mining operations will be reserved for the Crown.

This will make it possible for the province to plan new communities and to develop its mineral and forest resources in a sound and effective way, thereby preserving the heritage of our lands for future generations without interfering with the normal development of mining.

In addition, amendments will be introduced reinforcing safety regulations governing operations in mines. This matter is, of course, always under review.

The province's access roads programme is being extended. This year will see connecting links made with Nakina, Foleyet and Hornepayne as well as the completion of the Seagram-Caramat section of the Manitouwadge road.

Under the government's recent policy, over 100 parks encompassing more than 40,000 acres have been acquired, or are in the process of being

acquired, for reserve and development purposes. Forty-six parks across the province have been obtained in the past year. Densely populated southern Ontario as well as our great northland will have important park areas. In southern Ontario, a 4,000 acre pinery on Lake Huron and a 500 acre park on Lake Simcoe have been acquired.

To keep pace with our development, The Department of Highways is engaged in carrying out the largest volume of work in its entire history. Full details of what is being done and what is projected will be laid before you.

Emphasis is being placed on the completion of Highway No. 401 from Windsor to the Quebec border, and on the closing of other gaps in trans-Ontario highways, including the construction of the section between Agawa and Marathon on the Trans-Canada Highway. Work is also proceeding on the Burlington skyway, which is expected to be open for traffic early in 1958, while plans for the construction of the Queensway highway in Carleton County are under negotiation.

In addition to completing an unprecedented volume of construction, The Department of Highways continues to push ahead with the strengthening of its organization. Among the administrative improvements introduced are: a new tenders procedure which is entirely open to the public; a system of liquidated damages devised to encourage the completion within a specified time of work covered by contracts; a system of pre-qualification of contractors; and a system of awarding a greatly increased volume of work during the winter months to enable contractors to prepare in advance for the carrying out of this work in the construction season.

Measures aimed at highway safety are being extended. The number of local safety councils has been increased, while special traffic clinics have been established in association with many of the magistrates' courts. Various improvements are being co-ordinated through a broad plan of traffic safety

in schools, courts, industry and in the community generally.

Last year, motor vehicle registrations rose by an additional 6 per cent. The ever-increasing traffic density continually underscores the need for safety, and continuous efforts are being made to keep at a minimum the number of accidents, injuries and deaths which occur on our highways. The co-operation of everyone is enlisted in this endeavour to save lives and alleviate the suffering that arises from motor vehicle accidents.

A new system of driver examination has been introduced in certain areas and will be extended. Amendments will be made to The Highway Traffic Act and it is proposed that the minimum liability requirements of the financial responsibility law be raised to meet the new conditions imposed by the higher cost of medical care and vehicle repairs.

It is also proposed to amend The Summary Convictions Act in several particulars. Legislation will also be introduced re-defining the provisions relating to bail for persons accused of crime, while a number of other amendments will be made to various other Acts, designed to improve the administration of justice.

The government's policy of erecting plaques to commemorate historical sites and events will be continued and extended.

During the year, management-labour relations were, in general, harmonious. An historic event occurred when Canada's two major trade union congresses joined to form the Canadian Labour Congress.

Amendments to The Labour Relations Act will be placed before you. Among these will be one to permit the Ontario Labour Relations Board to sit as panels. As such, they will be able to deal more expeditiously with the increasing volume of work arising from our growing industrialization.

It is also proposed to amend The Factory, Shop and Office Building Act to give greater protection to the health of workers engaged in occupations

where there are atomic radiation hazards.

The Departments of Health and Planning and Development are co-operating in meeting the needs of new Canadians coming within our borders. Over 50 per cent. of new Canadians settle in Ontario, where they are being successfully placed in positions which help them to attain citizenship.

There will be amendments to The Cemeteries Act designed to implement the recommendations of the select committee of 1955.

In addition to the new legislation previously mentioned, amendments will be introduced to the following: The Public Health Act, The Sanatoria for Consumptives Act, The Mental Health Act, The Mental Hospitals Act, The Nursing Act of 1951, The Pharmacy Act of 1953, The Private Hospitals Act, The Housing Development Act, The Planning Act of 1955. The Conservation Authorities Act, The Municipal Act, The Amusement Act, The Public Schools Act, The Municipality of Metropolitan Toronto Act, 1953, and the Acts governing various government agencies such as the Ontario Fuel Board, the Ontario Water Resources Commission and the Ontario Hospital Services Commission.

Work of the select committees is being advanced. A second *Report of The Select Committee on Toll Roads and Highway Financing* will be presented to the Legislature.

The public accounts for the fiscal year ended March 31, 1956, as well as the *Treasurer's Budget Statement*, which will present a review of the financial operations for this fiscal year and the contemplated programme of expenditures and revenues for the fiscal year beginning next April 1, will be submitted for your consideration. All of these reflect the growth of our economy and the heavy demands that such growth imposes upon the province.

Gratitude is expressed to the public servants of Ontario for the faithful discharge of their duties and responsibilities.

I pray that Divine Providence will guide you in your deliberations.

The Honourable the Lieutenant-Governor was then pleased to retire from the chamber.

Prayers.

MR. SPEAKER: I beg to inform the House that I have received a copy of His Honour's Speech, which I will read:

(Reading dispensed).

MR. SPEAKER: Introduction of bills.

THE RELIGIOUS INSTITUTIONS ACT

Hon. A. K. Roberts moves first reading of Bill No. 45, intituled, "An Act to amend The Religious Institutions Act."

Motion agreed to; first reading of the bill.

MR. SPEAKER: Motions.

Hon. L. M. Frost (Prime Minister) moves that the speech of the Honourable the Lieutenant-Governor to this House (Mr. Breithaupt) be taken into consideration tomorrow.

Motion agreed to.

MR. SPEAKER: I beg to inform the House that I have received, during the recess of the House, notification of vacancies which have occurred in the membership of the House by reason of the deaths of William Elmer Brandon, the member for the electoral district of York West, and of Thomas L. Patrick, the member for the electoral district of Middlesex North.

HON. MR. FROST: Mr. Speaker, as you have announced, there are two vacancies in the membership of this House which have been brought about by the death of William Elmer Brandon, Q.C., the member for York West, and the death of Thomas L. Patrick, the member for Middlesex North. Both of these members were here last session, a year ago at this time, active and appar-

ently in good health. Both of them were active in business and in public affairs to the very end.

Elmer Brandon, as he was known to us here, was an authority on municipal government. For 11 years, he was a member of the Council of the Village of Swansea, which is a very proud municipality, maintaining its independence in the great sea of Metropolitan Toronto. He was a councillor, deputy-reeve, and reeve in that fine municipality, and in 1951 was warden for the county of York.

Mr. Brandon was, as I have said, an authority on municipal affairs. He worked indefatigably in the formation of Metropolitan Toronto, and in the preparation of the legislation forming that government which became known later as Bill No. 80. He served with the Mayors and Reeves Association, he was chairman of the Provincial-Municipal Committee, and he was a great reformer in municipal matters and we shall miss him. In 1951, he was elected to the Legislature where he served with distinction until the day of his sudden death last summer.

Thomas L. Patrick was born at Ilderton in Middlesex North. Coming from that great agricultural background which has played such an outstanding part in the development of our province, his life was devoted to the agricultural industry from the time of his graduation from the Ontario Agricultural College in Guelph some 30 years ago.

Indeed, we might say coming from a family that was so closely associated with agriculture, almost from the day of his birth, he like Mr. Brandon served his municipality, in his case the historic township of London.

London township is, of course, associated with the story of this province since the days of Thomas Talbot and the Talbot settlement.

Thomas Patrick was a councillor there and a deputy-reeve, and was elected to this assembly in 1943. He was a man of varied interests, but none the less essentially a farmer, a livestock exporter and importer, and a sheep breeder. I have

found this, that the name of "Tom" Patrick was known in agricultural circles from one end of Ontario to the other.

At the time of his sudden passing, he was with his son in Springfield, Ill., the city of Lincoln, where he was active in certain matters relating to cattle and stock. He was active, as he had been all his life, in his business and profession as a farmer.

To Mrs. Brandon and to Mrs. Patrick, we extend our deepest sympathy, and likewise to the children and the families of both. These men served their day and generation well, and they will be missed greatly, not only here, but in their own communities which valued them and regarded them very highly.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I join with the hon. Prime Minister in paying a tribute to Mr. Patrick and Mr. Brandon, who were with us last year as legislators in this chamber, and who have passed away in the interval between the two sessions.

As the hon. Prime Minister has so adequately said, Mr. Brandon was a lawyer by profession, and a good one, I am told; he was a man who gave much of himself in the public service both in his own township and the wider field of the provincial Legislature. He was, as the hon. Prime Minister said, a reformer, and that is a good type of man, particularly in an assembly of this character.

Mr. Brandon pioneered in the Legislature on many things, as the hon. Prime Minister will agree, he looked forward and ahead on matters of municipal government, and was aware, it seems, of the gathering responsibility of the municipalities, and sought, in a very sound way, to lay a foundation which would help him along that difficult path.

As the hon. Prime Minister has said, Mr. Patrick was a farmer, a farmer from the good old county of Middlesex. He was a man who understood the problems of agriculture, who was aware of the difficulties that beset an agricultural industry, and who was constantly on guard seeking to improve both agriculture and

its status in the community and in the nation.

These two men will be missed, missed in this Legislature, missed in their home lives, and in their home communities, and missed more than all in the family circle. It is to the family circle that we join with the hon. Prime Minister this afternoon in extending our deepest sympathy.

MR. D. C. MacDONALD (York South): Mr. Speaker, it is a sad thing on historic occasions like this that we should have to receive the official information of the passing of members of this House. Many of us who are newcomers to this House have really not had the opportunity to get to know these men as fully as we would like, but I am sure we are going to miss the fellowship and the opportunity to work with them. I would like to join with the hon. Prime Minister and the hon. leader of the Opposition in expressing our sympathy to the families and friends of the deceased.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, may I give to the House an intimation of the course of business during these organizational days.

First of all, perhaps I may be pardoned for saying this on adjournment, but this is the first occasion in history that a public address system has been in use in this chamber. I realize that perhaps some of the older parliamentarians may be horrified at this innovation which is new to us, but I suppose it is part of the times in which we live, and in which we use mechanical devices to further our means.

May I say that this is the third session of the twenty-fifth Legislature and if this session has no other claim on history than this, it makes history today in the introduction of this public address system. I might say to the hon. members opposite, whom I am always endeavouring to please, that it will, I think, make easier the requirements of *Hansard* or for *Hansard* that both of them have mentioned at various times, at least it

will have that effect; even though it might horrify the older members here, and seem to go against the traditions of Old Ontario, at least it will have that effect.

In connection with the organization of the House, we meet today on Monday which is an innovation. I do not think that has ever before occurred in the order of things in this Legislature, but it is to meet the modern requirements of these days. I hope that meeting on Monday will enable us to organize the Legislature for business in a more efficient way than in the past.

Tomorrow there will be the formal motions for establishment of committees of the House, and I propose tomorrow to table the proposals relevant to hospital care insurance, taking this opportunity at the first moment to place the matter before the House so that it can be considered by the Committee on Health at the earliest possible moment.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, may I ask the hon. Prime Minister if he anticipates the debate in respect to hospitalization when he tables the report tomorrow?

HON. MR. FROST: No, not necessarily.

MR. OLIVER: When the hon. Prime Minister says "not necessarily", is he going to go into a long explanation of the hospitalization Bill? I ask because we are aware of his tendencies in that regard, and if he does, of course, it might just flare up into a debate, and I was just wondering seriously what the hon. Prime Minister has in mind.

HON. MR. FROST: Mr. Speaker, I would be very glad to give the hon. members a copy of anything I would have to say, and also a copy of the report. If there are questions, of course they can be asked; there would be no restrictions or limitations on the debate at all. I can assure the hon. leader

of the Opposition that if he desires to say anything, he will be able to say it.

I think we can make the usual arrangement for doing that, for the tabling and explanation of the report, and if it is not sufficient, then the traditional adjournment of the House can be moved. I can assure the hon. members that the limitation will not apply, if the hon. members opposite desire to say anything, but the main purpose is to place this matter before the House, and to arrange for its early consideration, as a matter of business by the ordinary committees of the House.

MR. OLIVER: When does the hon. Prime Minister intend to proceed with the moving and seconding of the Address?

HON. MR. FROST: I would say that tomorrow there will be the organization of the House in the way I have mentioned, the setting up of the striking committee and so on. On Wednesday there will be the introduction of bills, and we intend to introduce a large volume of legislation, and to commence that, we would place them before the House, and the mover and the seconder would make their addresses on Thursday. Then, of course, Friday would be, of necessity, more or less a formal day because of printing and other requirements which would enable us to get down to business at the end of the next week.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 4.00 of the clock, p.m.



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

TUESDAY, JANUARY 29, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: I beg to inform the House that the clerk has received from the chief election officer, and laid upon the table, a certificate of a by-election held since the last session of the House, returning Mr. H. Leslie Rowntree as member-elect for the electoral district of York West.

CLERK OF THE HOUSE: "This is to certify that, in view of a Writ of Election, dated the tenth day of September, 1956, issued by the Honourable L. O. Breithaupt, Lieutenant-Governor of the province of Ontario, and addressed to Lloyd Shier, Esquire, returning officer for the electoral district of York West, for the election of a member to represent the said electoral district of York West in the legislative assembly of this province, in the room of W. Elmer Brandon, Esquire, who, since his election as representative of the said electoral district of York West, has departed this life. H. Leslie Rowntree, Esquire, has been returned as duly elected as appears by the return of the said Writ of Election, dated the tenth day of September, 1956, which is now lodged of record in my office.

(signed) RODERICK G. LEWIS,
Chief Election Officer.

Toronto, October 29, 1956."

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I ask permission to escort into the chamber and introduce to you the member-elect for the electoral district of York West in company with the hon. member for Essex South (Mr. W. Murdoch).

Mr. Speaker, I have the honour to present Mr. Henry Leslie Rowntree, member-elect for the electoral district of York West, who has taken the oath, has signed the roll, and now claims the right to his seat.

MR. SPEAKER: Let the hon. member take his seat.

Presenting petitions.

Reading and receiving petitions.

The following petitions were severally brought up and laid on the table:

By Mr. Morrow, the petition of the Corporation of the City of Ottawa; also, the petition of the Corporation of Carleton College.

By Mr. Jolley, the petition of James Russell, Esquire.

By Mr. Myers, the petition of the Corporation of National Organization of the New Apostolic Church of North America.

By Mr. Root, the petition of the trustees of Erin Fifth Line Union Church.

By Mr. Mackenzie, the petition of the Corporation of the County of York.

By Mr. Parry, the petition of the Corporation of the City of Chatham.

By Mr. Macaulay, the petition of the Corporation of The United Church of Canada; also, the petition of the

Corporation of The Royal Trust Company.

By Mr. Fishleigh, the petition of the Corporation of the Village of Forest Hill.

By Mr. Morningstar, the petition of the Corporation of the Township of Crowland.

By Mr. Gordon, the petition of the Corporation of the Township of Brantford.

By Mr. Johnston (Simcoe Centre), the petition of the Corporation of the Town of Barrie.

By Mr. Graham, the petition of the Corporation of Community Chests of Greater Toronto.

By Mr. Child, the petition of the Corporation of The Hamilton Health Association; also, the petition of the Corporation of McMaster University; also, a petition for the incorporation of McMaster Divinity College.

By Mr. Davies, the petition of the Board of Education for the City of Windsor; also, the petition of the Corporation of the City of Windsor.

By Mr. Cowling, the petition of the Corporation of O'Keefe Centre.

By Mr. Stewart, the petition of the Corporation of the City of Toronto.

By Mr. Hunt, the petition of the Corporation of the Town of Pembroke.

By Mr. Robarts, the petition of the Corporation of the City of London.

By Mr. Sutton, the petition of the Corporation of the Township of Scarborough.

By Mr. Lewis, the petition of the Corporation of the Township of Etobicoke.

By Mr. Elliott, the petition of the Corporation of the City of Hamilton.

By Mr. Thomas (Elgin), the petition of the Corporation of the City of St. Thomas.

By Mr. Frost (Bracondale), the petition of the Canadian National Exhibition Association.

Presenting reports by committees.

Motions.

Hon. Mr. Frost moves, seconded by hon. D. Porter, that during the present session of the legislative assembly provision be made for the taking and printing of reports of debates and speeches, and to that end that Mr. Speaker be authorized to employ an editor of debates and speeches and the necessary stenographers at such rates of compensation as may be agreed to by him; also that Mr. Speaker be authorized to arrange for the printing of the reports in the amount of 1,200 copies daily, copies of such printed reports to be supplied to the Honourable the Lieutenant-Governor, to Mr. Speaker, to the Clerk of the Legislative Assembly, to the Legislative Library, to each hon. member of the assembly, to the reference libraries of the province, to the Press Gallery, to the newspapers of the province as approved by Mr. Speaker, and the balance to be distributed by the clerk of the assembly as directed by Mr. Speaker.

MR. D. C. MacDONALD (York South): Mr. Speaker, may I ask the hon. Prime Minister a question in this connection? In some other legislatures the arrangement is in effect whereby an hon. member can have copies of any particular speech printed in whatever quantity he wants them produced. Has the government ever given consideration to making that kind of an arrangement available?

MR. SPEAKER: I can answer that, we do have that arrangement and have had it here for a number of years.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I was wondering what the idea is of putting a limit on the number of *Hansards* to be printed. You would almost think we were ashamed of this document and we really should not be, because, it is a recording of what has transpired in the House by way of debate.

Last session, I think it is common knowledge many people wanted to sub-

scribe to *Hansard* and were told that there were no more copies available.

Surely we are not going to continue in the position of having to turn down people in the province who are willing to subscribe and pay their money for such subscription, and only be told that there are no more copies available. Surely the mechanical operation is not that intricate or difficult that it could not be expanded to meet the requirements, the real requirements of the people as a whole.

I think we are making a very serious mistake in limiting the number to 1,200, it was 800 last year and we are increasing it by 400, but I think the people of the province are more interested and concerned with what happens in this Legislature than the 1,200 figure would indicate, and I think the government should go on record as being prepared to meet the desires of the people in this regard to a much greater extent than was indicated by the hon. Prime Minister's announcement.

HON. MR. FROST: Well, Mr. Speaker, the hon. Leader of the Opposition of course is correct, the number of copies has been increased from 800 to 1,200 copies, and quite largely on the representations made by the hon. Leader of the Opposition.

MR. OLIVER: That is probably the only concession I will get this session.

HON. MR. FROST: Of course, these copies have to be covered by a contract covering the printing and paper, and we have not wanted to order large quantities that would not be required. On the experience of last year we feel that 1,200 copies will be sufficient, but if the hon. Leader of the Opposition would care to discuss this matter with the hon. Speaker, who, after all, has the direction of the matter, and if it appears that 1,200 copies are inadequate, then I think it would be satisfactory to have the matter dealt with here.

I point out, as I did yesterday, that we have a change in the assembly with this speaker system, which the hon.

member for Brant (Mr. Nixon) tells me is not the first time there has been a speaker system in an assembly. Perhaps the hon. member (Mr. Nixon) can tell about that. I thought we were making this session stand out in history, but apparently we are going to be robbed of that distinction by the hon. member for Brant, whose recollections go back a long way.

This is another development, I suppose, in automation and we hear a lot of that these days. The old method of taking these debates down by shorthand and then being transcribed is probably going to disappear; that is probably what will happen, and I hope we can make provision for these gentlemen in the same satisfactory manner as some other industries are taking care of those who are affected by automation. If it appears there is a popular demand for *Hansard* it seems to me that by reason of this development perhaps we might expand our circulation, and I am not opposed to it. I would be very glad if the hon. Leader of the Opposition would see fit to discuss this matter with the Speaker and anybody else, and if it appears that we are not printing *Hansard* in sufficient quantities then that can be done.

MR. OLIVER: I must say I appreciate the remarks of the hon. Prime Minister in this regard, that he has now shifted the responsibility, and I do not mean that in a nasty sense, to the hon. Speaker of the House. I am quite content to rest my case with the Speaker, believing in his total impartiality and in his great sense of fairness. I think we will make further advances.

MR. MacDONALD: Perhaps I should clarify my earlier comment because there apparently was some confusion. I was referring to reprinting of a single speech, which I know is common procedure in the House of Commons, rather than the whole *Hansard* of the day which is a much more expensive proposition.

MR. CHILD: That is done now.

MR. MacDONALD: I just had assurance from an authoritative gentleman that at the moment the whole *Hansard* of that day is—

MR. CHILD: I have had it done, so I know it is possible.

MR. MacDONALD: Apparently the hon. member (Mr. Child) has a special arrangement with the printer.

MR. SPEAKER: May I clear the air? Two hundred extra copies over what we had last year adequately met the demand, and by raising it to 400 extra I am quite sure we will cover everything. However, if it is necessary to increase the number during the session another motion can be put forward, and I am sure it will be made at that time.

Motion agreed to.

Hon. Mr. Frost moves, seconded by hon. D. Porter, that standing committees of this House for the present session be appointed for the following purposes:

1, on agriculture; 2, on conservation; 3, on education; 4, on game and fish; 5, on government commissions; 6, on health; 7, on labour; 8, on lands and forests; 9, on legal bills; 10, on mining; 11, on municipal law; 12, on printing; 13, on private bills; 14, on privileges and elections; 15, on public accounts; 16, on standing orders; 17, on travel and publicity.

Which said committees shall severally be empowered to examine and inquire into all such matters and things as shall be referred to them by the House, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

HON. MR. FROST: Mr Speaker, I move, seconded by hon. Mr. Oliver, that a select committee of 13 members be appointed to prepare and report with all convenient despatch lists of the members to compose the standing committees ordered by the House, such committee to be composed as follows:

Mr. Mackenzie (chairman), Messrs. Chaput, Child, Elliott, Fishleigh, Gordon, Johnston (Carleton), Jolley, MacDonald, Morrow, Murdoch, Price and Pryde.

The quorum of the said committee to consist of 4 members.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, I have a great deal of pleasure in proposing this motion and moving this motion which the hon. Leader of the Opposition (Mr. Oliver) might want to second. That is that Mr. C. E. Janes, the hon. member for the electoral district of Lambton East, be appointed as chairman of the Committee of the Whole House for the present session.

MR. OLIVER: Yes, I will second. It will take an amount of competition, at any rate.

Hon. Mr. Frost moves, seconded by Mr. Oliver, that Mr. Janes, the hon. member for the electoral district of Lambton East, be appointed chairman of the Committee of the Whole House for the present session.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, I may say that it is with very great pleasure I move, or propose, this motion, seconded by the hon. Leader of the Opposition.

The hon. member for Lambton East is, of course, an old member of this House, having been elected, I believe, in 1945. He comes from and represents a very fine riding; he comes from a well-known family in this province, associated with the great business and, as I said yesterday, profession of agriculture. As is so often the case with such well-known families, members have made distinguished contributions in business and in the professions.

His brother is Professor of Surgery in the University of Toronto and surgeon at the Toronto General Hospital.

Mr. Janes himself has been a valued member of this House for all these

years, a hard worker, one who has a deep interest in the proceedings of the House and in the affairs of this province. It is indeed a great pleasure to propose one whom I know will be an impartial presiding officer in this chamber and will add to the laurels of many other distinguished chairmen that we have had over the years.

Mr. Speaker, I move that you now leave the Chair and that the House resolve itself into Committee of the Whole.

Motion agreed to.

MR. JANES: May I express my thanks to the hon. Prime Minister and to the hon. members for the very great honour conferred on me, and also to the hon. Prime Minister for the very kind remarks about my family, and I would ask the hon. members to be very kind to me because I expect to make many errors. Thank you.

HON. MR. FROST: Mr. Chairman, I move that the committee rise and report progress.

Motion agreed to.

MR. T. L. KENNEDY (Peel): Mr. Speaker, I beg leave to present to the House the following:

1. Pay accounts of the province of Ontario for the fiscal year ending March 31, 1956;
2. The report of the provincial auditor, 1955 and 1956.

MR. SPEAKER: Any more motions?

Introduction of bills.

HON. MR. FROST: Mr. Speaker, as I intimated yesterday, it is proposed to introduce a large number of bills tomorrow which seems to suit the purposes of the organization better than to introduce them today.

MR. SPEAKER: Orders of the day.

ONTARIO HOSPITAL INSURANCE PLAN

HON. MR. FROST: Mr. Speaker, as I intimated yesterday, and prior to the making of the motion to adjourn the House, I would like to table the proposals of the Ontario government with relation to hospital insurance for Ontario. As I stated yesterday, I am quite prepared to agree, of course, to any comments that the hon. Leader of the Opposition, the hon. member for York South (Mr. MacDonald), or any other hon. members care to make on this subject.

I would point out, however, that the practice of tabling this proposal at the present time is to enable the hon. members of this House to consider a matter of very great public importance, to permit the press and the public to do the same, and to enable the early submission of this matter to a Committee of Health which will be set up in a few days, for there I think the matter should receive very close and very careful consideration.

Mr. Speaker, it is not my intention today to say anything concerning the negotiations with the federal government in relation to this matter. This is a matter of great importance; it is one which involves very many complications and intricacies, and I think I can say, as was said yesterday in the Speech from the Throne, that this matter is under the consideration of both governments. Other than that, I have no intention of elaborating on this point.

As I said yesterday, I sent copies of both the memorandum, which includes our proposal, and what I intend to say today to the hon. Leader of the Opposition and to the hon. member for York South. I think, however, with your permission I would like to add a few words by way of a preamble to that memorandum. It might be a repetition of what is in the memorandum itself, but I am sure that they will not find it controversial.

I can quite understand that the government, or the hon. members of the

House, might be asked this question: What is your objective in this matter? Statements are received from time to time, and, as a matter of fact, I received one today from quite a well-known authority pointing out that private insurers are presently covering about 3.5 million of our people and that there has been a phenomenal growth in this regard, all of which is true.

Now, the refinement I wish to make is this: it is perfectly true that private insurers are very rapidly increasing their coverage in the province and that we have reached today a coverage of probably between 3.5 and 4 million of our people. But, may I point this out, that the coverage they are providing is only a partial coverage; it is not a whole coverage. It is a partial coverage and it is not meeting—and I do not think that private insurers ever can meet—the coverage that is required if we are going to meet our objectives.

First of all, present insurance coverage, desirable as it is—and the hon. members who have read my statement know I deal with that point—is simply not universally available; it is generally limited to the best risks.

It is perfectly true that group coverages do include other than good risks, but individual policies only cover the best risks. The latter are generally cancellable on illness; certainly they are generally cancellable when certain types of illnesses appear. Many of the hon. members here have had that experience, that a heart or a lung weakness may appear and a rider is put on the policy stating that ailment is excluded from coverage. I may add that in many cases cancellations take place many years later, and in fact the cancellation takes place at the very time the policy is needed.

That is one of the objections, and I point out to private insurers that they must face up to that fact.

Again, premiums are generally increased at 60 years of age. Many have had the experience that when they reach that particular age then there is a nice

notice from the insurance company that their premium is increased; and in most cases the coverage is not available for individuals after 65 years of age, except in group policies.

Now, you can see the situation, Mr. Speaker, but there is a great gap to be covered. A person may have a certain type of health insurance, starting at 30 or 35 years of age, and then when he reaches the age of 65—when many men and women think they have attained the highest point of their usefulness—he is cut off.

Then again, present policies are limited as to the length of stay in hospital. This limit varies from a few weeks to a maximum of about 200 days. They do not, therefore, cover the catastrophic expense of hospital stay. This is a subject that my hon. friend from Bruce (Mr. Whicher) is interested in. There are very many cases where persons are confined to hospitals for very much longer periods of time than are covered by present policies. Thus in these cases the burden becomes very onerous, but private insurers simply cannot cover this catastrophic field.

I have dealt extensively with this matter, as I think there is a lot of misunderstanding on it. Recently, I received a letter from a friend of mine, one who is connected with one of the great organizations in Ontario, and in his letter he mentioned the fact that 3.5 million people of this province are now covered. It is very simple to say this, as I have just explained. We have 3.5 million people in this province who are partially covered, and they are partially covered only during the duration of the policy, and then because of certain things that enter into the matter they cease to be covered entirely.

That is, I think, the situation. On the other hand, may I say that the private insurers have a very great part to play in this province. That has been elaborated upon in the memorandum which will be tabled this afternoon. I think it makes it plain that over and above the basic coverage—which is limited to standard ward care and all the things

that go with it—there are very many opportunities open to private insurance companies for the provision of supplementary benefits.

This of course creates one of the major problems, namely, the integration of the hospital plan with private coverage.

Now, I see my friend opposite from Windsor (Mr. Reaume). In that fine city, they have a plan known as the Windsor Medical, which I think is a splendid system of insurance and is widely used in that community. I have no idea as to the number of persons insured under that plan, but I am sure there are many thousands. My friend behind me says 90 per cent. of Windsor's citizens are covered by that plan.

Well, that is a worthy effort, but may I say this, that in introducing or proposing a plan such as we propose we have no desire to do anything but to strengthen the Windsor Medical. The Windsor Medical can only provide a coverage that is limited somewhat after the fashion I have mentioned here—not in all particulars, but it is limited as to length of stay in hospital and matters of that sort, and it is probably only available to certain groups who can qualify in that city. It may not be available to a person of 65 or more years of age who is not a member of some organization or insurance group entitling him to come under the plan.

I would say, there is a very definite problem of integration of a provincial plan with that plan as with several thousand others, which are in operation here in Ontario.

Mr. Speaker, with those comments may I now refer to this memorandum. In tabling the Ontario memorandum and proposal on hospital care insurance, which is now under consideration by the federal and provincial governments, there are certain points I should like to make by way of explanation.

1. May I say first that the studies have been conducted by a body of experts whom I wish to thank very sincerely; and I may say that we are by no means releasing them from the task.

I am merely thanking them for their efforts up to date, and expressing appreciation for their services.

They, of course, include those in our own public service, particularly in The Department of Health and The Department of Economics—I will not elaborate or mention their names at this time—and the members of the Ontario Hospital Services Commission, who are Mr. Arthur Swanson, Monsignor Fullerton and Dr. John Neilson.

From outside we have had the advice of the executive of the Ontario Hospital Association and the Blue Cross, particularly Mr. Ogilvie and Mr. Martin. Then we have had the advice for nearly 3 years of Dr. Malcolm Taylor of the University of Toronto who has been our consultant in this matter for that period of time. The help of these gentlemen and many others has been invaluable.

The memorandum and proposal I shall table contain an explanation of the position as it now stands. The first 21 pages provide the background and the history of this matter as well as a description of the various alternative proposals, including the federal proposal of January, 1956, made just about one year ago today. The remaining pages from 22 to 27 give the particulars of the Ontario hospital care and insurance proposal. On page 27 there are also certain matters pertaining to the federal cost-sharing formula which we believe should be reconsidered. But I would emphasize that agreement with the federal government on these points is not a condition standing in the way of the adoption of the plan, as my hon. friends opposite will know.

Despite our disappointment in certain limitations in the federal offer, the Ontario proposal is based on the federal proposal of January, 1956; it is drawn within the 4 corners of that proposal of one year ago.

The plan which is fully described in the memorandum contains these highlights:

1. Our hospital insurance plan will provide basic coverage limited to public

ward care, though additional benefits and coverage may be obtained from private insurers. There will be no cancellation of, or limits placed upon the time required for, essential treatment in hospital. There will be no limit on grounds of age or disability. In the basic hospital care area, it will be all-embracing. Such coverage is not available at the present time in this province. In some aspects this coverage will be broader than that available in some of the other provinces that have hospital coverages.

2. The plan we propose will be available to every citizen who will enroll. It will be made mandatory as the commission deems it to be feasible.

3. Our objective in Ontario will be to attain as close to universal coverage, total coverage, as possible, premised upon good administration and other factors.

Mr. Speaker, on these essentials hang the success of this plan. Upon sound administration and the wise implementation of the mandatory features—in accordance with the clear provisions of the federal offer of January, 1956—depend the success of this plan which I am certain can be achieved.

4. Our proposal, if adopted, will eliminate hospital deficits.

5. It will lighten and in most cases totally remove from all municipalities the present financial burdens incidental to the hospital care of indigents.

It is not, I think, desirable for me to elaborate on all the terms of the proposal, but I would say generally speaking, it would provide that all of the social assistance cases, old age, disability, and blind pensioners, and others who, of course, are eligible for assistance on a means test, would be insured by the province at its expense.

It is in the area of the "medically indigent"—that is a technical expression that applies to a person whom we have never been able to describe or define—that a special problem of provincial and municipal administration arises. Where social welfare cases are

involved, the administration by the municipality is definitely to be preferred.

However, we are trying to take care of the cost to the municipalities by an unconditional grant that would be paid for that purpose. This, in general, would cover the municipal cost and in many cases would exceed it. Thus, through the special unconditional grant, municipalities would be relieved of the cost of hospital indigency and where the amount of the grant would not be required for that purpose, they could devote it to financing any other service.

6. It will cover at provincial expense, without any contribution from the federal government, the care and treatment of mental illness and tuberculosis. That, of course, is a very big order, but my advisors, my colleagues and myself have felt that a plan of hospital care insurance which did not include two of the most catastrophic types of sickness—mental illness and tuberculosis—would not be sound or desirable.

We therefore propose to include these as insured benefits—entirely at our own cost. This is outlined in our memorandum.

May I make this clear, that this proposal is drawn within the 4 corners of the federal proposal—

MR. F. R. OLIVER (Leader of the Opposition): On that point, the hon. Prime Minister wouldn't mind my asking, does he contemplate a contribution either from the municipality or other insurance carriers to help to defray the cost of this item?

HON. MR. FROST: No. I would say that our proposal is roughly this: the province will continue to provide all services which it is presently providing in the mental hospitals including the obvious increase we are going to have with our increased population. The insurance premium would include a small item, amounting to probably a few cents a month, which would provide for persons all-duration coverage for tuberculosis and mental illness.

At the same time, we would abolish the payments which are presently made by people in mental institutions. We would devote the premium—and I think this is a very inspiring objective—to the extension and betterment of our Ontario hospital service.

I am not looking at the premium as a method of financing any of today's costs incurred in the maintenance of our mental hospitals. But I do feel this, that there is a tremendous opportunity in this country for introducing improvements and betterments in our mental hospitals—although, mark you, in Ontario they are already of a very high standard, among the highest anywhere in the world.

But I would say that, with the allocation of this special premium or a portion of the whole premium to mental hospitals, we could strengthen our personnel and extend scientific methods, with the objective of placing our mental hospitals on the same basis as our general hospitals at the present time. This would include removing from our mental hospitals, as much as we can, the custodial atmosphere and attitude which, of course, run with those large institutions and to a certain extent must run with them. It would also include encouraging in every practical way we can the rehabilitation of men and women, including young people, who are afflicted with mental illness. This is one of the real opportunities the adoption of the hospital insurance programme presents in this province.

It is planned to extend and improve, as I have said, our mental services that are already on a high level. Under the present proposal, of course, there will be no federal participation, but it is hoped that ultimately the federal government will change its position in this regard.

8. The hospital insurance plan will take care of the costs resulting from the catastrophic incidence of hospital stay. I have already dealt with this phase and therefore need not comment on it further.

Mr. Speaker, some of the conditions to implement our plan are these:

1. Agreement in advance concerning federal participation from the commencement of operations. It is not the intention of the province to commence the programme, as was done in two or three other provinces, before there is federal agreement and federal participation. It is our belief that there should be federal participation at the time the plan comes into operation, and that agreement with the federal government on this matter should, therefore, be reached as soon as possible.

2. The plan will be administered by the Ontario Hospital Services Commission either through the agency of the Blue Cross or by a Crown corporation similar to Blue Cross, and by personnel drawn from the Ontario Hospital Association. I think we can arrive at a very satisfactory arrangement whereby the Blue Cross, who are highly skilled in these matters, will take care of this matter on an agency or other basis for the Ontario Hospital Services Commission.

From the provincial standpoint, the success of the plan depends upon a wide coverage of our people, and not merely of those with a high incidence of sickness. As the cost to the province is very formidable, it is essential to spread the burden. Our advisors, and we ourselves, however, feel that a broad coverage can be obtained, and that we can achieve our objective of from 85 to 90 per cent. coverage, or perhaps more.

On the other hand, we can give no guarantee as to when that can be achieved. We can achieve that coverage, provided we do it in a sound way, and provided we do not overburden the commission and the insurance administration with impossible conditions.

I should say that it is an essential condition that the plan be made mandatory, as is feasible, and as in the opinion of the commission and the Blue Cross agency they find it to be administratively so.

I would say this—and I think the reasons are very plain—I would say that

slow, but not too slow, and sure should be the motto regarding this matter if we are going to avoid the mistakes and the errors of some other places. We have their experience, and in view of the magnitude of the problem we simply cannot afford to make mistakes. Prudence should be one of the conditions associated with a plan of this kind, which involves very large sums of money indeed, and a mistake in a percentage point could mean millions of dollars.

The general conditions are these in the province: Ontario, with its 5.5 million people, has many and varied conditions to deal with. Upwards of 3.5 million people in this province now carry, as I have said, some type of hospital insurance. But not even the best of these private plans affords such substantial or all-embracing protection as the proposed provincial programme in the basic area that it covers. Our programme will take care of the catastrophic incidence of sickness. It will eliminate hospital deficits and will lighten and probably eliminate altogether the financial burdens of the municipalities in regard to indigents. On the other hand, many of the existing hospital insurance schemes include items — and very important items — which could not be included in our basic plan. Thus, there is left a large field for private insurance companies to operate in by providing coverages supplementary to those we are proposing. It is, therefore, essential that there should be the fullest opportunity for the integration of existing schemes, which include those negotiated between labour and industry, with the province's proposed basic programme.

At the same time, our people should have the opportunity to obtain additional protection over and above that provided by the government's plan. This is very important, and a very difficult problem. We are perfectly satisfied that this integration can be brought about, but it will involve the exercise of discretion on the part of the Ontario Hospital Services Commission.

In the judgment of the government and its advisors, the success of this plan depends upon sound, orderly administration. It would be inviting serious trouble indeed to burden the commission with conditions which are unsound or impossible.

The matter of administration vitally affects both levels of government, but the province to a very much greater extent. The federal formula is based not only on per capita hospital costs within the province, but also on the average costs across Canada. The province of Ontario, with its great growth and industrialization, has relatively high per capita hospital costs, and it is the increase of those costs which, of course, is causing concern.

Without a soundly administered plan, the federal formula could, obviously, greatly penalize Ontario and impose heavy costs upon our people. It would, of course, affect the federal government by raising to an extent the national average, but not, of course, to the height our hospital costs would go.

I would say, Mr. Speaker, we have been warned of this; therefore, sound administration of the plan is important to the federal and provincial governments, and we must implement this plan carefully if we are to avoid very serious consequences from a financial standpoint. It must be undertaken in such a way as to prevent hospital costs in this country from being driven up.

An example of the danger is shown in the information we have already presented to the public, namely, that for an all-embracing plan such as we propose, the costs, based on 1956, for the entire population of the province, would run to about \$160 million. By 1960, however, we are warned that costs could total nearly \$300 million.

We believe this increase in costs can be contained and limited by sound administration, and we propose to use every effort in this regard. Otherwise, this plan, which should be a great benefit to our people, could become a heavy burden that would hamper us in doing the other things which we should

do in this great, developing country. This is the reason we have placed such emphasis on efficient administration, and when I say "we" I mean the Ontario Hospital Services Commission itself, which has been among our principal advisors. We have laid emphasis on the Ontario Hospital Services Commission having discretion over the provisions for mandatory coverage.

On the other hand, I would point out to hon. members of this House that, quite obviously, it would be unfair to the government plan and to this province to insure only the old people, the social service cases and the cases where there is high incidence of sickness. Quite obviously, to make this plan a success, we have to strive for a balanced coverage, a coverage that is going to include the good risks in the province as well as the ones that are the most costly. That is fundamental to the plan, and I can assure you that it must be our objective. We have an objective of a very high coverage in this province, but again that is based upon an administration which is sound and on mandatory coverage being embodied in the plan only as feasible.

The federal government's proportion of Ontario's "shareable costs" would be about 48 per cent. — that is, in the area covered by their proposals—but in the terms of the cost of the whole plan that we propose, it would be only about 35 per cent. This points up the area of provincial financial responsibility and the absolute necessity for care in administration, so that the province's fiscal position will not be undermined.

As I have said before, I have no intention of making this problem appear easier than it is; or, on the other hand, exaggerating its difficulties. I think it is wise for us to face up in a practical way to the difficulties that such a comprehensive plan as we propose is likely to encounter—a plan that could add substantially to the costs that our people would have to meet through taxes and premiums, not only on the federal level, but on the provincial level.

It will be noted that the date for the commencement of operations of our hospital insurance programme has been set for January 1, 1959. This date, however, is purely tentative and depends, among other things, on agreement being reached between the federal and provincial governments.

There has to be agreement concerning the federal government's participation from the commencement of operations, and there has to be time to set up the necessary provincial organization to administer this highly complicated business.

In anticipation of proceeding with the programme, land for the necessary office accommodation has been secured. We are also assured of the efficient services of the Blue Cross organization. We anticipate and hope that agreement may be reached.

Nevertheless, there is much to be done. If the tentative date of January 1, 1959, can be advanced without impairing efficient administration, it will most certainly be done, but that depends upon the advice of the commission itself, and, among other things, upon agreement being reached between the federal and provincial governments. Any possibility of advancing the initial date rests upon an early decision with respect to the points of disagreement, and to the federal government's conditions concerning a majority of the provinces containing a majority of the population being fulfilled.

With respect to the date upon which this plan could go into effect, there are obvious problems: because one province agrees to enter into the proposal, it does not mean that the plan will go into effect, for there is still the formula that a majority of the provinces, representing a majority of the people, must agree to implement plans.

I think we have to look at this sensibly and we have therefore placed the starting date tentatively at January 1, 1959, but I would think that under favourable circumstances it could be advanced to July 1, 1958, although that

is only 17 months away, and there is a very great deal to be done in that time.

I am confident that the Ontario plan, which is the area covered, is the most comprehensive of any of which I have knowledge, can be put into effect without overwhelming our taxes, provided it is done carefully and efficiently. I am confident that it will solve the hospital problem on which action has been promised for upwards of 35 years. I would not, however, advise the Ontario people to adopt hospital insurance unless the plan could be proceeded with carefully, efficiently, and on a thoroughly sound business basis.

This is the biggest business undertaking that this province has ever attempted in its 165 years of history. I emphasize again, as I have emphasized throughout the memorandum which the House will consider, that it is only with good administration, unhampered by impossible conditions, that this plan can be made a distinct success.

With that explanation, I table this memorandum, which will be made available to all hon. members of the House. I can assure all hon. members that at a very early date there will be an opportunity for its consideration in committee, where the informalities will permit the fullest discussion and information to be given to the hon. members and to the public.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, the hon. Prime Minister has now tabled the Ontario proposals for a hospital insurance plan. The tabling of this document comes at the end of a long propaganda campaign on the part of the government that has gone on without letup, certainly since last Thursday.

The propaganda mill must have been running overtime because in the press, by radio, and by every other conceivable means of spreading the word around, the government has brought to the notice of the people in what the people, I am sure, believe to be clear-cut language and definite tone, the idea that the government is introducing a hospital insurance

scheme and that the pen is poised to sign the document with the federal government, and it may only be a matter of hours until the great benefits that would flow from the adoption of such a scheme would be available to the people of this province.

This afternoon the hon. Prime Minister has continued this plan, that has gone on for a number of days already, as he spoke. This afternoon television throughout the country and radio stations, and the afternoon papers as well, carried the words of the hon. Prime Minister to the province at large, even before the hon. members of this Legislature were aware of what the proposals contained and what was inside the 4 corners of the document.

This, of course, places the government at a tremendous advantage as the hon. Prime Minister knows, it places them in this position that be it right or wrong it is before the people, and there is no opportunity, virtually none, for any who hold different views to have those views placed in the same prominence or in a prominence anywhere near approaching that which was given to the hon. Prime Minister's remarks. Because of the fact, as I say, they are already being spoken throughout the province, and are being read in the newspapers of the province.

To me, there is something in that particular matter, and I just want to say this word on it; if this campaign goes on, and I imagine it will on this and other matters, then, of course, we are left in the position of trying at least to meet the government on their own grounds, and we will have to use all the means open to us to fight the battle in the press before it goes to the Legislature at all.

I believe that would be a retrograde step, because this Legislature is the place where legislation should be first unfolded, and there should be an equal and ample opportunity for those who wish to disagree or depart from what the government has to say on a particular matter, to place their views alongside the views of the government

in order that the people at large may have an opportunity which in this case they are denied, of choosing between the two arguments, and of making up their minds as to what is progress and what is real, and what is fancied, in connection with this whole hospital insurance scheme.

The hon. Prime Minister has brought down this proposal this afternoon and it is to be referred to the Committee on Health. Certainly that is an improvement over last year's procedure, because last year we went down to the Committee on Health with nothing to offer, nothing constructive, because nobody knew what the government was going to do or had any intention of doing.

We listened to long speeches by the hon. Prime Minister and those primed for the occasion, and we came out of the committee, as I suggested, without being any wiser as to what the government was going to do, and with very little more wisdom as to what hospital insurance meant as applied to the people of this province.

This year at least there is something in the form of a proposal to go before the committee, and I think that is a proper procedure. The committee will have the opportunity of examining something concrete, something that the government has to put forward which expresses their views as to what should embody a hospital insurance scheme in this province.

What I want to say about the matter this afternoon falls into two or three categories; I do not want to disagree with the hon. Prime Minister in his analysis of the need for hospital insurance in this province; we are all in agreement, I think, that there is a field, and a very large field, in which hospital insurance as such could render great service, and be a great relief to the people of this province of Ontario. None of us, I think, should be charged with being in opposition to that.

On this side of the House in the opposition group, there is continued adherence to the idea of hospital insurance, that it is a good thing, and we do

not want it any further delayed than is really necessary. We want its benefits to be immediately available if this were possible to the people of this province, and any departure along the line of its implementation we will try and argue in the House and before the committee.

The hon. Prime Minister says that one thing we must bear in mind is that the plan as he proposes in his judgment falls within the 4 corners of the federal offer of a year ago. I wish that that were the case, but I am not so sure it is. There are some points of difference as the hon. Prime Minister will be bound to agree, points of difference some of them at least of some magnitude, and it may take considerable time to reconcile the various views in connection with these matters.

The hon. Prime Minister has said that January 1, 1959, will be just about the first day that we can expect hospital insurance in Ontario. I am not going to argue at length as to whether it needs 18 months or two years to get ready for hospital insurance, but I am going to suggest that we have already wasted one year in this province, when we might well have been moving towards integration of a hospital insurance scheme. We "dilly-dallied" around in committee last year without any aim in mind, without any purpose to guide us, we simply wasted time.

It was, as I said, last year, an effort on the part of the government to stall on this important question, and stall they did for well over a year, so that we have lost well over a year during which we should have been making progress towards the bringing in of hospital insurance. Regarding the date of January 1, 1959; I am obliged to say I do not like to impute motives, political motives, but I am afraid in this case I will have to do so; the date of January 1, 1959, is of particular significance. The hon. Prime Minister says he cannot see how we can have it before January 1, 1959. Well, January 1, 1959, in all probability, will be election year, and he has been advised, as I will point out in a moment or two, by those who have given much

time and much thought to this particular question, that it would be unwise for a government to bring in a hospital insurance scheme except it be just prior to a provincial election.

The authority states, and I will read it in a moment, that if you bring a scheme in a year and a half ahead of an election, then you are bound to be swallowed up in the administrative details that would reflect upon the government who had sponsored the scheme. Well now, the holding back last year in the committee on the part of the government was part of a well-designed plan to move the date of the implementation of this agreement to a time when they could reasonably look forward to a general election, and when they could say to the people of the province, "These things I promise you", the evils that arise therefrom we will attend to after the election.

Now, that is sound political thinking. It may be you have given away your humanitarian instincts, that they have been overwhelmed and submerged by your political considerations in regard to the introduction of hospital insurance in this province. I would hate to think that was the case, but anyone who can add two and two together, can quite easily arrive at the conclusion that what the hon. Prime Minister had in mind was just what I and others have now suggested.

He says further in his argument, and I want to deal rather extensively with this point, that there is not any great difference between himself and the federal government at the present time, and I notice on this particular matter—I say there is no difference on other matters—I want to point out that on page 27 of the proposal itself there are listed 4 matters which the hon. Prime Minister suggests are matters for discussion between his government and the federal government; one is depreciation, one administrative costs, then co-insurance, and calculating standard ward costs—

HON. MR. FROST: May I point out to the hon. Leader of the Opposi-

tion that those are matters which we feel should be considered, but the fact that they are not offered by the federal government is not an obstacle to the implementation of the plan. They are in no way a condition precedent to entering into an arrangement in connection with the matter, they are matters which we think should be considered and we are satisfied will be considered and will be implemented in the course of time, and we think now is the time.

MR. OLIVER: I was going to say precisely the same thing couched in these words, that these are matters which should be properly considered by the Health Committee when they are dealing with the whole problem. They are matters which are certainly matters for negotiation between this government and the federal government. I want to see hospital insurance in this province.

But in doing that and in believing that, I do not want to say that this government should not negotiate with the federal government on points of difference, because I think they should, or they would not be representing the best interests of Ontario if they did not negotiate on points of interest, and these 4 points among others.

But, certainly these 4 are quite properly subject matter for discussion between the federal government and the province, and I would re-echo what the hon. Prime Minister has said. I believe there is a chance in respect to all 4 of them that some progress will be made; I do not rule out progress in regard to these at all.

The only matter which the hon. Prime Minister did not discuss at length, and which to me is the real stumbling block in respect to this plan being adopted as a federal-provincial project, is this, and it lies between the two words on this matter, and they are "universally available." I heard the hon. Prime Minister use that phrase last night on television "universally available." Now, the other—

HON. MR. FROST: Mr. Speaker, I may say to the hon. Leader of the Opposition, the phrase was used in the federal proposal of 1956 and I assume it is hon. Mr. Martin's phrase, because it is the expression used in that proposal, and therefore I used it, so we would be on common ground. That is what we are endeavouring to find, common ground.

MR. OLIVER: I am sorry if I gave the hon. Prime Minister credit for words that were not originated by him, I think they are fairly good words at that, to define the real obstacle in respect to this whole matter.

Now, the other side, of course, would say that you could not expect a plan to fall within the federal government offer unless there was some compulsion, unless it was mandatory that people belong to this scheme in great numbers, perhaps 85 per cent. or up to 90 per cent. This to my mind is the great stumbling block that your proposal will meet.

Let us look at it for a moment; you say in your proposal that you have not any intention of going into this plan by yourself. I think perhaps we are agreed upon that. You say further that, regarding Saskatchewan and British Columbia you would not go into it like they did. Of course, in their day, when they brought insurance in, they did not have the opportunity of working in partnership with the federal government on these matters.

HON. MR. FROST: Why did they not? They had the 1945 proposals of the federal government.

MR. OLIVER: Oh, well, now, that is really boxing the compass for an argument when you use that one.

MR. MacDONALD: I agree with him.

MR. OLIVER: The hon. member agrees with him? What is the matter with the hon. member? He could not have slept well last night. I was simply pointing out that the hon. Prime Minister says he is not going to lead this province into hospital insurance

on its own, and he will only go into it in partnership with the federal government, and that there will be no plan in Ontario unless an agreement is reached with the federal government. Now we understand our position in that regard, but then he goes on to say that he is not in favour of what you might call universal coverage, up to 80 per cent. or 85 per cent.

HON. MR. FROST: Oh no, I do not say that.

MR. OLIVER: Well then, is the hon. Prime Minister in favour of 80 per cent. or 85 per cent. or a universal coverage of some per cent.?

HON. MR. FROST: Absolutely.

MR. OLIVER: How much?

HON. MR. FROST: Mr. Speaker, I might point out to the hon. Leader of the Opposition that there is no insurance plan that can reach 100 per cent. coverage, I think 85 per cent. or 90 per cent. is regarded as a very high coverage. As I say, I will place at your disposal, the people who have advised us, Dr. Taylor, Mr. Gathercole, the Blue Cross people, all of them.

Now, I would say that we would have a higher objective than that for an ultimate attainment. I would say universal coverage or total coverage is, of course, recognized if you get around this Dominion, then you are reaching what in practice they call a total coverage.

MR. MacDONALD: It is well over 90 per cent.

MR. OLIVER: Mr. Speaker, that is a point to start; what is the hon. Prime Minister going to start at? I do not see how you can expect the federal government to make agreements with the various provinces of Canada unless they have on their desks a declaration on behalf of those governments that when the scheme goes into operation or at an appointed time, shortly thereafter the province will guarantee that they will have a large percentage of their people

covered. That is the stumbling block, and I think the hon. Prime Minister knows it.

I do not see how you can expect the federal government to agree with your proposals unless you are prepared to sit down with them and say that at a given date we in this province will have a certain percentage of our people covered. What position are we placing the federal government in? They are dealing with 10 provinces in Canada, what kind of a scheme would they have if other provinces of Canada said, "Now, we think we will get to 85 per cent. some time, but we do not know when"; would the federal government be justified in the expenditure of public money to bring in a hospitalization scheme, in which all the 10 provinces would participate, before they knew what their commitments in respect to this are, what the coverage would be for their people? I suggest to the hon. Prime Minister that there is the great loophole in the plan that he has offered to the Health Committee, and I suggest further that the people of this province have no right to expect —

HON. MR. FROST: I want to say—

MR. OLIVER: I want to finish.

HON. MR. FROST: If the hon. Leader of the Opposition would read the proposal of January of a year ago, there is no mention of such a thing. The matter is that it is coverage that is universally available to our people without regard to condition of health or age or anything of that sort.

MR. OLIVER: It was universally available to our people certainly, but the hon. Prime Minister is not going to stand in his place today and say that the undertaking of a year ago, or whenever it might be, on the part of the federal government meant this, that any province in this country could hope to enjoy the benefits of this scheme unless they said to the federal government, "a high proportion of our people are in a position to get the benefits."

The hon. Prime Minister cannot argue like that, and that is the position he is in at the present time, and he has to "get down off his high horse" in this regard or he cannot hope to get an agreement with the federal government.

I would not think—I have not any advance information—but I am simply arguing as a citizen would, who is cognizant at least of some of the arguments related to this whole question of hospital insurance, and when this matter goes the Committee on Health, I hope we will be able to convince, through the men who are there to give information, I hope we will be able to convince even the hon. Prime Minister that there is a need, if we hope to make progress, of saying something definite, and not being too elastic with words which really mean not too much in relation to this whole problem.

Now, I just want to say, without going further, we are anxious that this go to the Committee on Health, and we will try and see when it gets there that we make the best out of a bad job, as it were, and try to convince the government even at this late date that if it is really sincere in wanting hospital insurance in this province, then it will move in the direction that it knows will acquire hospital insurance for our people.

HON. MR. FROST: Mr. Speaker, may I ask the hon. Leader of the Opposition a question? He got to a point which very greatly excited my curiosity, he was going to quote an authority, give the name of an authority concerning the possibility of this good government being swallowed up in some manner or other if the plan was introduced a year and a half before the election.

I could not follow that. I am probably a kind of innocent sort of fellow, I have had not too much experience in matters of this sort. None of the great work which has been done in connection with this matter has had any relation to an election at all. I would ask the hon. Leader of the Opposition

who this authority is, because I am always open to learn. I would like to find out something, I do not want to be swallowed up, and I think the hon. Leader of the Opposition, to use his own expression, is too humanitarian a person to want to see us swallowed up.

MR. OLIVER: Mr. Speaker, I would like to say that I never make statements or attempt to quote authorities unless I have the quotation on my desk, and I happen to have the one to which I referred. Now, in the hon. Prime Minister's remarks this afternoon, he pays tribute to those who had worked with the government in building up this hospitalization scheme, and one of the gentlemen whom he paid tribute to was Dr. Malcolm Taylor.

I agree with him that Dr. Taylor has been a good man in regard to this matter, and has given the hon. Prime Minister much advice, and at least on some occasions he has taken his advice. Certainly, as to when it should start, he has just followed him right to the line. I want the hon. Prime Minister to listen while I read him what Malcolm Taylor said in his book, *The Administration of Life Insurance in Canada*. Before I read the one in question, I want to give him another one. Talking about the voluntary plans, in this case, the hon. Prime Minister did not follow Malcolm Taylor's advice; Malcolm Taylor says on page 70:

The voluntary plans can enroll as slowly or as rapidly as they wish in the first year or two, they can experiment with procedures, train new staff members and generally learn to walk before they run. Not so with government plans which must be ready to enroll and issue certificates to the entire population by a date that may have been selected by the Legislature.

And then he goes on to say:

With an eye more to the election calendar than to the administrative convenience.

Then he says this, and this I like, because there is not any use in having consultants unless you do what they suggest. I mean it would be wasted money to a degree at least if you did not follow their advice on important matters. Dr. Malcolm Taylor says in a note at the bottom of page 70:

On the basis of experience to date the alternative for legislators contemplating such action might be stated as follows.

Now listen carefully.

Select an election date that is either a year and a half after the plan has been introduced on the assumption that the plan's success will then be obvious or very soon after the plan has been introduced when the question of success or failure is still in doubt.

Now I suggest to you that is sound advice from a political point of view, and the hon. Prime Minister accepted it unquestionably, by the procedure that he has adopted in this matter.

HON. MR. FROST: In my reading of Dr. Taylor's book, those pages must have stuck together some way or other; either that or I would say that Dr. Taylor wrote that book and commented on the actions of government before he met me. That must have been the case.

MR. D. C. MacDONALD (York South): Mr. Speaker, there are a few comments and questions which I would like to make on the hon. Prime Minister's introductory statement of this plan this afternoon.

But, before I do, I must say that once again I cannot forego some comment on the observations of the hon. Leader of the Opposition this afternoon. Surely it is really short of laughable to have a member rise and berate a government for indulging in propaganda before they do something when he happens to be the leader of a party which has been indulging in propaganda for 37 years and has not done anything.

MR. OLIVER: Mr. Speaker, I would like to ask the hon. member what he calls the kind of stuff that he dishes out.

MR. MacDONALD: Well, the question is so thin that the answer would be even thinner if I tried to answer it, so we will let it go by. Let us be very fair about this proposition, the Liberal party did give us a specific promise of a proposal in 1945 and they welched on the promise. We have had nothing on it; in fact, what they are doing now is providing half the loaf and they are even chiselling on half the loaf because they are not providing coverage for what surely should be coverage in any hospitalization plan, namely hospital and mental ills.

MR. OLIVER: Is there any room over there?

MR. MacDONALD: There will be a lot of room over there some day. They have chiselled on the half of the loaf by refusing to give coverage on mental and hospital ills and refusing to consider in the terrible amounts of administration costs of depreciation, and on this particular aspect we are willing to support the government in their protests against the Liberals for chiselling on one half of the loaf after offering the whole loaf for something like 37 years.

As a matter of fact, for the provincial Liberal party in this province to get up and try to criticize anybody on health insurance becomes even more laughable, for as to where they stand nobody knows. They have changed their policies and the nuances of their policy so many times in the last 5 or 6 years that it is impossible to know.

I remember listening to the hon. Leader of the Opposition about 3 years ago — it was in March of 1954—at which time he was speaking on the radio. He was trying to draw what he alleged to be differences between his party and the government's on this issue. He said they were in favour of health insurance, but it need not be a government plan, it might be worked out in co-operation with

the insurance companies. I wonder if he is still in favour of that?

MR. OLIVER: That is what the hon. member wanted to know.

MR. MacDONALD: Well, we will come to that, because the details of the plan are very general here yet.

MR. OLIVER: Where are you, the Winnipeg or the Saskatchewan resolution? Are you still adhering to the Saskatchewan manifesto?

MR. T. D. THOMAS (Oshawa): That does not cut any ice.

MR. OLIVER: I will say it does not.

MR. MacDONALD: The other significant thing at the present time, and I think it is well that we take a look at that right here, is that the federal government offers a proposal and who are the 3 governments which have not even bitten or given any consideration to the matter at the moment? They are the three remaining Liberal governments across this nation. As a matter of fact, if some of the articles in the editorial pages of the *Toronto Daily Star* are correct, it is a matter of speculation that this is going to be such an embarrassment to the federal government in Ottawa, that they are going to have to put pressure on a few of the Liberal governments across the nation to consider this plan.

HON. A. K. ROBERTS: There are only a few.

MR. MacDONALD: I know there are only a few of them, and there should be a few less, too. The hon. Leader of the Opposition rises and pleads that he does not want to see the people of the province of Ontario denied the benefits of this kind of plan for one minute more. Well, you know, just while he was talking, I did a little calculating and there have been 18,817,200 minutes passed since the Liberal party first promised this, and now they are trying to persuade us that they do not want to see one more minute pass.

Obviously, any party which talks about something for 37 years when it is sitting in the place where it might do something about it and has done nothing about it, that party is—

MR. OLIVER: That is utter rubbish, and you know it. It is utter rubbish to say they have done nothing.

MR. MacDONALD: What have they done? Where is the health insurance?

MR. OLIVER: Where is it? If the provinces go in it will be in force.

MR. MacDONALD: Exactly.

MR. OLIVER: You are talking through your hat.

MR. MacDONALD: As a matter of fact, we had better get down to the subject.

MR. OLIVER: I think you had better if you have any subject.

MR. MacDONALD: Before I leave, I just want to make this comment: for the Leader of the Opposition to get up and charge the government with playing politics, what does he expect? His party has been playing politics with this now for a generation and a half, and certainly the Conservatives are going to play politics with it.

And I will tell you this, Mr. Speaker, I will give this little bit of unsolicited advice to the Leader of the Opposition: if the Liberals in Ottawa just stall around a bit more—and he seems to have been given some foreshadowing of the excuses they made on this universal aspect of the coverage of the thing within the province of Ontario—this government will fight not only the next election but the second one without putting the plan into effect, because the Conservative and Liberal governments have both stalled around on this.

I say this, and I say it with pride, there is only one government in this country which has promised a plan of the nature we are talking about today and put it into effect in fulfilment of its

promise within 18 months of being elected, and that is the CCF government in Saskatchewan. They didn't laugh at that; they would have a year ago.

Let us get around to the government's plan now. One of the interesting things that have emerged, Mr. Speaker, in the discussion of this whole topic, is that the hon. Prime Minister, who sooner or later gets around to looking at the facts of the situation and stripping the propaganda off, has said on a number of occasions that the best hospital plan in this nation happens to be the one in the province of Saskatchewan.

He says so in the House, he says so in the Health Committee, and I want to offer a sort of qualified congratulation to him—I say qualified because this is in general enough terms, and heaven knows what may emerge in the jockeying between the government here and the government in Ottawa—but I want to offer a sort of qualified congratulation to him for putting into effect a plan which is modelled on the best one in the nation. He recognized a good thing when he saw it, and in the general pattern of this thing it looks as though it can be shaped into a plan which will meet the needs of the people of Ontario. Having taken a step here conceivably the Liberals in Ottawa will be pushed into making it available for the people all across the nation.

Last night, like the Leader of the Opposition, I looked upon the benign features of the hon. Prime Minister on television—one of the most far-reaching developments of modern life—and I listened to him talking for all the world like a CCF man. I listened to him doing as he did this afternoon—because apparently some of the wolves behind the scene have been after him—he was apparently trying to pacify them already, and trying to explain that the world is not going to come to an end because the Tory party has betrayed them on what the Tory party has believed down the years.

I listened to him explain that insurance coverage is not complete coverage, that he himself had been bitten when

he got to 60 years of age and had to pay a higher premium, and he told us in the Health Committee of other examples, such as when he tried to collect from some accident coverage and it became such a nuisance that he cancelled the policy, if I remember correctly. It was typical of the kind of treatment "the little people"—at that point the Prime Minister became one of the "little people"—took from insurance companies.

But the significant thing is this—and do not let the Prime Minister forget it, since I am sure he is rather painfully aware of it, my comment may not be necessary—that there are very strong forces within his own party who are still opposed to it.

Let him read the views, for example, of the hon. member for High Park (Mr. Cowling), who is not in his seat at the moment, in the Health Committee last spring; let him read the remarks, for example, of the hon. member for Dovercourt (Mr. Kerr) when he quoted, presumably with approval, otherwise he wouldn't have quoted from, I think, the Kamloops *Sentinel* last spring on the comment on health insurance, concluding with the suggestion, the smear that the Tory party has indulged in for years, that to bring in this kind of thing would be socialism and therefore highly undesirable. So let us have sympathy with the hon. Prime Minister, because he is going to have a lot of woes behind him in trying to put this type of thing into effect, because the fact of the matter is this, that whereas the Liberal party has at least paid "lip service" to this for 37 years, the Tory party did not even get around to paying "lip service" to it until 1943, and 14 years later we have a promise which might be implemented two years hence—these are "Johnny-come-latelys," climbing on the bandwagon of something that the people of Canada have needed and wanted and sought, and on which they have been betrayed.

There are a number of aspects of what the hon. Prime Minister has said this afternoon that I want to comment

and raise questions on. I just want to make very sure of this, because while this document appears to be very explicit, sometimes strange things will creep in at a later stage.

At the moment, there is no suggestion that the insurance companies are going to be involved in the coverage of this. I assume from this, then, that any plan brought into the province of Ontario is not going to bring the insurance companies into it, and I assert, if it is the government's position, then it is a correct position, it is a wise position. The kind of suggestion which the hon. Leader of the Opposition made 3 years ago, that he might work out a plan in conjunction with the insurance companies, is an intolerable proposition.

The hon. Prime Minister has stated many times that hospital insurance is a very expensive kind of proposition; certainly it is, and what we are trying to do in this kind of plan is to spread the expense, through the premium, over the people in as equitable a way as possible so that they will not be struck with heavy burdens. To bring the insurance companies into it is just going to increase it that much more.

In this connection, of course, just let me make this comment. I do not know whether it is possible to persuade the hon. Prime Minister and the government party, in promoting this in the province throughout the months to come, to point out the actual nature of the expenditure. When it is said this plan is going to cost \$160 million, when everybody is covered, or \$130 or \$135 million if 80 per cent. or 85 per cent. are covered in early stages of it, let us recognize that that \$130 or \$135 million does not represent a single dollar more being spent than we are now spending.

The figures which were given to the Committee on Health last spring, projected because they only went as far as 1954, suggested that the people of the province of Ontario today are spending, directly, or indirectly, through one or other kind of plan, somewhere about \$90 or \$95 million on hospitals. The govern-

ment is spending \$40 million on tuberculosis and mental hospitals. That adds up to \$135 million, which is what the cost of the plan is going to be under the coverage of 80 per cent. or 85 per cent.

So let our people see the facts and see them correctly, so that all these smears of socialism and all the rest of the bunk which has stopped this plan, and which has been put up as roadblocks in the way of bringing it about, can be swept aside. A plan such as this presents for the most part a redirection of existing spending rather than new spending from the point of view of the provincial government for the premiums that the people are collectively going to put into it.

Now, the next question, Mr. Speaker, is this—so many comments have been made on this, and it seems to be so uncertain that I do not know whether I have grasped it wrongly or not—what role is the Blue Cross going to play? In the statement that the hon. Prime Minister made this afternoon, in the original copy which we received yesterday, it reads as follows:

The plan to be administered by the Ontario Hospital Services Commission either through the agency of the Blue Cross or by a Crown corporation similar to the Blue Cross, and by personnel drawn from the Ontario Hospital Association.

Now, I want to make this plea—and I do not want to be unfair to the people in the Blue Cross in the province of Ontario, whom I think have played a fairly constructive role in this whole thing and have been intimately involved in it—I see no reason why Blue Cross's identity should be retained at all, and there are many reasons why it should not be retained.

If you are going to have an administrative agency, surely the administrative agency does not need to be called Blue Cross or anything of that nature; it can easily be under the auspices of the Hospital Commission. Because—and do not let us forget this—Blue Cross has been in the field, it has been competing for coverage against Cumba, against

other kinds of plans in the private insurance companies, and in that kind of situation you have had tensions, you have had critical views grow up against Blue Cross. Why carry all that kind of criticism and tension forward into our plan?

I am not arguing against—it is only plain common sense—using the know-how and personnel of people in the Blue Cross or other existing coverages, to build up the kind of administration the people want. But just as there are very strong forces within the Conservative party opposed to this, let us not forget that there are strong forces within the Blue Cross set-up, who have certainly been opposed to this kind of thing up until now. Some of the top officials of the Blue Cross have been in the advisory group in the government and, I repeat, have played a very constructive role in working to the stage we have reached now.

But I just want to remind the hon. Prime Minister of this, if he is not aware of it, that in the province of Manitoba, where there is a good Liberal government which is sitting there, and still doing nothing about this plan, and presumably have to be pushed into it to avoid the embarrassment to the federal Liberals, in the coming federal campaign. Out in that province, the Blue Cross organization has made a statement of very strong opposition to the present plan offered by the government in Ottawa, and presumably is putting very strong pressure on the provincial government. For example, under our title of "You cannot legislate a person into health"—that was a statement last November—I just want to read a paragraph to you:

Our standards of health care are a direct outcome of our fundamental belief in the work of the individual and of its basic responsibility to take care of themselves and family. Our hospitals and our advancements in medicines are the expression of this philosophy, an example of how through initiative and enterprise men help each other in times of distress.

Compulsory hospital insurance as a negation of this philosophy must in the long haul fail. We must encourage broad voluntary use of prepayment to ease the burden of pain and cost of illness.

Now, in very high sounding phrases, that is at best an echo from the 19th century, of an individual philosophy which, in terms of the needs of the 20th century, everybody who looks at the facts has found needs to be qualified. This expression of opposition from some sections of Blue Cross, I repeat, should be a warning to the government. In setting up our plan, it is proposed to set up an administrative body that may draw upon the personnel, may draw upon the know-how, of Blue Cross. However, let this be an administrative body that comes under the Ontario Hospital Services Commission and that has no attachments at all formally with any of the existing bodies which happen to be in the field at the present time.

Now, regarding this question of co-insurance, Mr. Speaker: I noticed in the list of 4 or 5 items that have not yet been threshed out with the federal government, that co-insurance is listed as one, and one would draw from it the implication that the provincial government here is a bit unhappy that it has not yet been considered as a shareable cost, because if it were, they would use it.

This is one place where I can say I am glad the federal government is not including it in shareable cost if only to keep the provincial government on the right track, because I suggest that the co-insurance proposition is basically a bad proposition. Why in heaven's name should one say to a person who is ill and has to go into a hospital, "when you go into a hospital you have to pay another charge"? You are charging the people who have already the heaviest burden to meet. If you are going to require the amount of money that would be raised in co-insurance, then add it on the premium so that everybody carries it. In this

way, you do not lay an extra burden on the people who have to go into the hospital and have all the other attendant burdens that go along with illness in the family.

Now, Mr. Speaker, I would like to deal just for a moment by way of a query or a statement of regret as to what appears to me to have happened on another very important aspect of this programme, and that is with regard to out-patient diagnostic services.

Now, I remember when this programme was first being advanced a year or so ago by the government, that the hon. Prime Minister, quite rightly, laid stress on this as being one of the more important aspects of the programme, for many very valid reasons. Diagnostic services, out-patient diagnostic services, is really just a logical extension of our present public health and preventative medicine programme.

Secondly, diagnostic services may make it possible to avoid adding even greater pressure on the shortages of beds in hospitals. And yet now we discover that for some reason or other diagnostic services have been relegated to—well, what exactly their status is, one can't say. It says at the end of page 22 of this memorandum that either simultaneously or at a later date diagnostic services on an out-patient basis may be included.

Now, I am just a little fearful, Mr. Speaker, that what happened here is that one of these great pressures have been brought to bear, and that the government has been pushed out of something which should have been part of the plan right from the very outset. Because I remember the hon. Prime Minister, somewhere along the way in the public discussion of this, making a comment that suggested that he had sort of just a little belatedly realized that the diagnostic services involved the medical rather than the hospital, and that the medical people—I know, you talk to any doctor—regard this as one of the most lucrative aspects of their business. The opposite side of the coin to its being the most lucrative is that it costs the people a good deal. And

there is where I do see that this is for the reasons that the hon. Prime Minister used the emphasis on, and for others should be included if at all possible from the very outset.

Now, finally, Mr. Speaker, in commenting on this question of the mental hospitals and on the proportion of our premium that may be charged to people who are going to go into the mental hospitals, the hon. Prime Minister referred to it as one of the inspired aspects of the programme. I must say that I failed to catch the inspiration. In the first place, as the memorandum states, there is to be "a small premium to be added to the basic hospital care premium." Now, it seems to me, if I am reading this correctly, that the use of the words "by a small premium" is highly misleading; you mean by a small co-insurance charge.

HON. MR. FROST: No.

MR. MacDONALD: You mean you are going to add a small premium on to all premiums all across the province?

HON. MR. FROST: That is right.

MR. MacDONALD: Everybody is going to be included in it?

HON. MR. FROST: Well, yes, as it becomes universal in effect and as it becomes universally available — of course it will be universally available at the start. Anybody may become a mental patient some time, you know.

MR. MacDONALD: Mr. Speaker, I want to get it clear. Suppose the premium is set at a certain number of dollars a year. In that premium of a certain number of dollars a year for everybody, will there be included this small premium to be used for the particular purposes in the mental hospital?

HON. MR. FROST. That is right.

MR. MacDONALD: Fine. I had misconstrued it, and you have avoided what I found to be an objectionable feature, because I think once again—

HON. MR. FROST: I may say to my hon. friend that at the present time we are making a charge in mental hospitals. It isn't a large charge, but nevertheless it is one which can be onerous enough to people in that kind of difficulty. Now, it seems to me that we can avoid all of that by including—putting it on an insurance basis, on a very heavily subsidized basis.

We would include the money we intend to put in to very heavily subsidize the mental hospitals, so in the case of the mental hospitals there will be coverage which will be as complete as in the general hospital. I am by no means implying any criticism of the Ontario hospitals. Our nurses and our doctors are doing a magnificent job in those places—I should not say "places"—in those very fine hospitals and institutions.

I think we can very much improve their position by introducing perhaps more different methods, perhaps more modern methods without perhaps criticizing them, because I think the greatest things in public health are the doctors and the nurses who are there, and I think we should give them an opportunity to do it.

I would like to see our mental hospitals more like general public hospitals, where people who have mental difficulties can go there and be cured and come out.

MR. MacDONALD. I agree. There used to be a day when our mental hospital was the kind of place where you put a person away and he never came out. Today, we have reached the stage where a remarkable percentage of people in a remarkably short time come out. Further improvements are of interest to all—who knows who will want to go to a mental hospital in the near future—and therefore there is logic in providing this coverage on a premium basis.

Well, Mr. Speaker, I have raised some of the items here which caught my attention and on which I wanted some clarification. With the hon. Leader of the Opposition I agree with this procedure that this should now go forward to the committee, and we should now

have an opportunity of examining it in detail, because the words "tentative" and "generalization" on pretty important aspects emerge throughout this document. We want to get it all taped as quickly as possible, because once again in the one province, Saskatchewan, where it was done on a sound basis, it took only 18 months to implement it. Perhaps 18 months here would be too short. If we can bring the plan into operation in as near to that time as possible, it would meet with general approval.

MR. J. G. WINTERMEYER (Waterloo North): I am not sure whether the hon. Prime Minister means to bring this to a select committee or in discussion later, but this will be put in discussion at this assembly. I would like to put one or two questions to the hon. Prime Minister.

Firstly, I should like to know whether or not there is any specific disagreement between the hon. Prime Minister's government and the federal government in regard to the implementation of this programme. Is there anything that will be threshed out in this Legislature before the matter will be referred to the committee, or when it is referred to the committee, can I presume that this government is committed to health insurance, and the problems which go with it?

HON. MR. FROST: Mr. Speaker, I would say that the proposal of the Ontario government is embodied in the document which you have. We are discussing the matter with the federal government in good faith, and I am sure they are discussing it with us in good faith, and I think the hon. member will agree that, when you are trying to reach an agreement with one who is going to be your partner, it is not well to comment or elaborate on matters on which there could be disagreement. We hope there will not be disagreement.

MR. WINTERMEYER: Mr. Speaker, may I ask the hon. Prime Minister—and I noticed that, when the hon. member for York South (Mr. Mac-

Donald) made reference to it, no specific answer was made—whether or not the private insurance companies will have any part in the programme that he contemplates?

HON. MR. FROST: It would seem to me that the basic policy that we propose here would have to be carried out by a government carrier or agent. I do not see how you can take that basic policy and divide it among other carriers, for this reason: I think it is very apparent that, if you do that, of course, the other insurance companies would take the good risks and leave us with the bad ones.

MR. MacDONALD: That is what they told you in the committees.

HON. MR. FROST: Yes, and that is what would happen. On the other hand, I would consider this—and again it is a matter of administrative detail—of very considerable importance, and, we are advised, of very considerable difficulty, to permit an insurance company, say a private insurance company, to offer to, for instance, a member of this House a package deal in which there would be surgical and other benefits and the basic policy would be part of that policy, and that insurance company would pay the premium without any deduction or any commission on the basic policy to the government carrier.

I must admit that I can see no advantages to such a plan as that from this standpoint: that private insurance companies are carriers and are now providing medical, surgical and other benefits which, of course, could not be and are not in the policy which is proposed here.

Frankly, I do not wish to make it difficult for people—rather, I wish to make it easy for them to get that kind of coverage. I think perhaps it is a too technical and difficult matter to discuss here.

This morning I had a discussion with some of our advisors in regard to this problem. They point out that at present there are, in a very great many cases, two types of policies being issued to the

same group and it does not present difficulties. There well might be—and I would hope so—one insurance carrier carrying all the government policies, or the government portion of the policies. But I would also hope there could be reasonable and harmonious integration with the efforts and the work of private insurance companies which can give to our people, without interfering with the government plan, the type of additional coverage they want.

MR. WINTERMEYER: Mr. Speaker, I certainly appreciate those comments, because I think there are still some of us who would disagree with what the hon. member for York South has said, and I, for one, am very heartened by the suggestion that the private insurance companies who after all—

HON. MR. FROST: Mr. Speaker, I do not think that the remarks of my hon. friend from York South meant that. As I take it—and the hon. member can correct me if I am wrong—

MR. MacDONALD: Mr. Speaker, the Liberals speaking on behalf of the insurance companies, and the Tories batting it down: this is a real day.

HON. MR. FROST: Yes, but I am a Progressive Conservative, and that is something you people have not understood. My feeling is that your remarks were directed to this, that you could not divide this coverage among 15, 20 or 100 insurance companies, that one company has to be responsible and receive the premiums and carry the basic policy.

With that I am in entire agreement. It could not be otherwise. If you were to do it otherwise it would mean that the good risks, those covered by medical examinations and everything else, would all go to the private companies, and the government agency would get all the bad risks. That could not be. That is not a good principle of insurance. No insurance company could operate that way.

On the other hand, integrating that policy with the efforts of private companies and the coverages private companies give, is a totally different question. I would like to encourage that sort of thing.

May I point out that I have had friends of mine raise this point with me: "Here I have a policy that suits me all right. It is true I take the chance that if I am ill for more than 200 days I have to pay my own bill, but I am prepared to take that chance. I have, over and above this basic coverage, medical and surgical and other benefits, including protection against loss of income, and I do not want to lose those things."

I see the hon. member from Oshawa (Mr. T. D. Thomas) in his seat: you have in General Motors a coverage of that sort, and your constituents and people down there do not want to lose it, and I do not think we should make it harder for them. As a matter of fact, I think by good business arrangement we can work in a sensible integration of those matters with the private carrier.

In the United States, and indeed in this country, with the basic pension arrangements and things of that sort that apply in the United States and elsewhere, labour and management organizations are integrating into the plan as a part of the parcel and building in the government contributions. I, myself, cannot see why we could not arrange by reasonable means, to build in the basic coverage which would be carried by one carrier in Ontario into the package deals that would be offered by private companies.

It would seem to me to leave a large area for private insurance, and at the same time it would carry out the great conception that there is in this plan coverage for everybody against the hazards of hospital illnesses.

MR. R. M. WHICHER (Bruce): Mr. Speaker, I would just like to make these observations: I have listened with a great deal of interest with what the 3 leaders of the 3 political parties have said here this afternoon, and I believe,

when we are dealing with the human welfare of individuals in this province and in the whole Dominion, that for once, anyway, we should throw politics completely out of the window.

MR. MacDONALD: The hon. member should have counselled his leader before he started.

MR. WHICHER: I could counsel the hon. member for York South a little bit very easily, I assure him.

MR. MacDONALD: I do not think he could.

MR. WHICHER: One thing is certain: the hon. member said that 18 million minutes ago the Liberals promised something. The CCF did not promise anything because there was no CCF party at that time, and I do not think that 18 million minutes from now there will be one either.

However, I do think we all should co-operate. This is something that the people want—at least, the vast majority, and as far as I am concerned I think it is a very sensible suggestion that we go from here into the committee, threshing this out, not belligerently but co-operatively, and take away the lack of security that the people not only in Ontario but in Canada now face through not having such a very needed thing as hospitalization.

I certainly think, as far as we are concerned, that we are willing to co-operate in every possible way to get this programme implemented as soon as possible.

HON. MR. DUNBAR: Once a quit always a quit.

MR. WHICHER: There is something to be said for stability.

HON. MR. DUNBAR: Once a quit always a quit—that is what he said last year.

HON. MR. FROST: Mr. Speaker, I make the motion, if it is required, that this report be referred to the Committee on Health.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, I am moving the House do now adjourn, and tomorrow will be taken up with the introduction of bills. I do not anticipate a very lengthy session; it is not usually so at this time, but we will go ahead with the formalities of introducing legislation and placing it on the order paper. On Thursday the mover and seconder will make their addresses. I move the adjournment of the House.

MR. SPEAKER: Before I put that motion, I would like to make an announcement, because it is impossible to get the notices out tonight for the select committee tomorrow morning. The select committee, to which is referred the composition of the standing committees, will meet in committee room No. 3 at 11 o'clock tomorrow morning.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5.25 of the clock, p.m.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, January 30, 1957

THE QUEEN'S PRINTER
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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

WEDNESDAY, JANUARY 30, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

Presenting petitions.

Reading and receiving petitions.

CLERK OF THE HOUSE: The following petitions have been received:

Of the Corporation of the City of Ottawa praying that an Act may pass confirming an agreement between the Corporation and the Federal District Commission; and for other purposes.

Of the Corporation of Carleton College praying that an Act may pass changing its name to Carleton University and increasing the number of elected governors.

Of James Russell, Esquire, praying that an Act may pass respecting part of Lot 23 in Concession No. 3 for the township of Grantham, county of Lincoln.

Of the Corporation of National Organization of the New Apostolic Church of North America praying that an Act may pass authorizing the Corporation to hold lands in Ontario.

Of the trustees of Erin Fifth Line Union Church praying that an Act may pass authorizing the trustees to convey the church and land thereof to the trustees of Erin Fifth Line Union Cemetery, free of trusts.

Of the Corporation of the County of York praying that an Act may pass authorizing a by-law, without the approval of the Ontario Municipal Board, to borrow a sum not exceeding

\$420,000 upon debentures, to meet expenditures on county roads incurred in 1956.

Of the Corporation of the City of Chatham praying that an Act may pass authorizing the provision of pensions for employees of the corporation and their families.

Of the Corporation of The United Church of Canada praying that an Act may pass authorizing the loan of certain trust funds to Balmoral Hall School for Girls.

Of the Corporation of The Royal Trust Company praying that an Act may pass amalgamating the corporation and Barclays Trust Company of Canada.

Of the Corporation of the Village of Forest Hill praying that an Act may pass enabling the corporation to undertake as a local improvement the widening of a pavement on a street without a petition.

Of the Corporation of the Township of Crowland praying that an Act may pass confirming a by-law for the issue of debentures to cover the cost of certain local improvements.

Of the Corporation of the Township of Brantford praying that an Act may pass ratifying the purchase and sale by the corporation of certain industrial lands in the said township.

Of the Corporation of the Town of Barrie praying that an Act may pass empowering the corporation to exempt certain lands from taxation except for local improvements; and for other purposes.

Of the Corporation of Community Chest of Greater Toronto praying that

an Act may pass vesting in United Community Fund of Greater Toronto all donations, gifts, legacies, etc., to which the petitioner is or may become entitled.

Of the Corporation of the Hamilton Health Association praying that an Act may pass authorizing the association to use any gift, bequest, etc., in accordance with the objects of the association as extended by its supplementary letters patent.

Of the Corporation of McMaster University praying that an Act may pass uniting the university and Hamilton College, removing the university from the control of any religious body and revising its constitution and powers.

Praying that an Act may pass to incorporate McMaster Divinity College.

Of the Board of Education for the City of Windsor praying that an Act may pass validating a pension plan for non-teaching employees.

Of the Corporation of the City of Windsor praying that an Act may pass abolishing the board of control of the said city; and for other purposes.

Of the Corporation of O'Keefe Centre praying that an Act may pass empowering it to hold certain lands in perpetuity.

Of the Corporation of the City of Toronto praying that an Act may pass authorizing an agreement with the Parking Authority of Toronto for underground parking facilities; and for other purposes.

Of the Corporation of the Town of Pembroke praying that an Act may pass authorizing debentures for certain public works.

Of the Corporation of the City of London praying that an Act may pass authorizing by-laws to control and regulate the installation and inspection of gas heating equipment; and for other purposes.

Of the Corporation of the Township of Scarborough praying that an Act may pass authorizing debentures for certain public works; and for other purposes.

Of the Corporation of the Township of Etobicoke praying that an Act may

pass authorizing pensions for the employees, and their families, of the corporation or any board thereof.

Of the Corporation of the City of Hamilton praying that an Act may pass authorizing the investment of monies levied for sinking fund purposes in such securities as a trustee may invest in; and for other purposes.

Of the Corporation of the City of St. Thomas praying that an Act may pass vesting certain lands in the corporation free of trusts; and for other purposes.

Of the Canadian National Exhibition Association praying that an Act may pass authorizing the Minister of Agriculture to designate in writing the Deputy Minister of Agriculture to be a member of the board of the association in lieu of the Minister.

Presenting reports by committees.

Motions.

Hon. L. M. Frost (Prime Minister) moves that during the present session of the legislative assembly commencing on Friday next, February 1, and thereafter on each Friday, this House shall meet at two of the clock in the afternoon and that the provisions of Rule No. 2 of the assembly be suspended insofar as they might apply to this motion.

Motion agreed to.

Introduction of bills.

THE PUBLIC WORKS ACT

Hon. W. Griesinger moves first reading of bill intituled "An Act to amend The Public Works Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this amendment will eliminate the necessity of getting an order in council where personal property is disposed of or where real property is leased. This has been going on for a number of years without the order in council and we are just bringing it up to date for administrative purposes.

THE PUBLIC SCHOOLS ACT

Hon. W. J. Dunlop moves first reading of bill intituled "An Act to amend The Public Schools Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, each one of the bills which I propose to introduce goes to the committee on education for discussion of all details. This one, an Act to amend The Public Schools Act, deals with, first of all, the permanent improvement clause which will authorize school boards to purchase buses for transportation of pupils.

Another amendment provides for children who have attained the age of 5 years before December 31 of any year to have the right to attend school but not until September 1 following.

Another amendment provides for removing a section from The Public Schools Act to The Schools Administrative Act authorizing school boards to enclose school property with walls or fences so that now that authority will apply to all schools boards, public or secondary.

Then, there is one regarding the boundaries of a consolidated school section. There is another about the changing of the boundaries of district high schools and a number of tidying-up amendments of that sort.

THE SCHOOLS ADMINISTRATION ACT

Hon. Mr. Dunlop moves first reading of bill intituled "An Act to amend The Schools Administration Act, 1954."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill, as I said, goes to the committee on education. This is The Schools Administration Act, bringing over the provisions about fences and walls to The Schools Administration Act. There is the form of declaration here to be taken by a trustee when elected or about to be

elected, and another one authorizing school boards to purchase land outside the boundaries of a municipality when it appears that that land may be needed later on for the erection of a school.

Then there is a section of this proposed bill dealing with the licence fees, school taxes to be collected from occupants of trailer camps.

THE SECONDARY SCHOOLS AND BOARDS OF EDUCATION ACT

Hon. Mr. Dunlop moves first reading of bill intituled "An Act to amend The Secondary Schools and Boards of Education Act, 1954."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill provides for the changing of the boundaries of a high school district in the territorial districts in a manner similar to that now existing in counties in southern Ontario. Another new section authorizes boards to require council to hold a vote on an application for the issue of debentures for permanent improvements within 60 days of the request from the board. Then, there is an amendment regarding trustees, secondary schools, and another one for the transportation of pupils.

THE DEPARTMENT OF EDUCATION ACT

Hon. Mr. Dunlop moves first reading of bill intituled "An Act to amend The Department of Education Act, 1954."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill provides for library service in the territorial districts in the same manner as is now provided in the counties of the southern part of the province. It is so arranged that a library co-operative may be formed by the amalgamation of two library boards in the territorial districts.

AN ACT TO PROTECT INTERESTS OF THE CROWN IN LANDS PLEDGED FOR PURPOSES OF BAIL

Hon. A. K. Roberts moves first reading of bill intituled "An Act to Protect the Interests of the Crown in Lands Pledged for the Purposes of Bail."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill provides for a means for registering a certificate in the office of the sheriff of the county or district, in cases of property, under the lands titles in the office of the land titles where it relates to property bail, and a very simplified method once the terms of the bail bond have been carried out of withdrawing such certificates.

THE CHANGE OF NAME ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Change of Name Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this Act merely clears up one point that apparently has not been covered in the legislation as it now stands, that is the right to change the name upon annulment of a marriage.

THE CREDIT UNIONS ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Credit Unions Act, 1953."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill provides that a credit union may loan money to other credit unions and in certain circumstances deposit moneys and make loans to credit union leagues.

It also provides for the appointment by the league of any competent person to, in effect, audit or carry out an investigation in the line of an audit of any credit union.

THE DESERTED WIVES' AND CHILDREN'S MAINTENANCE ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Deserted Wives' and Children's Maintenance Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill provides for a judge to have the power to order a father to pay up to \$20 a week for the support of each child whom he has deserted and makes provision in certain circumstances for a judge to issue a warrant for arrest.

THE GENERAL SESSIONS ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The General Sessions Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this is purely procedural.

THE JUDGES' ORDERS ENFORCEMENT ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Judges' Orders Enforcement Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill provides for a right of appeal to the court of appeal from any order of a judge as *persona designata*. At the present time the leave of another judge must be obtained and that will be eliminated if this is enacted.

THE LOAN AND TRUST CORPORATION ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Loan and Trust Corporation Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, I do not think this requires any explanation at this time unless some hon. member opposite wants it.

THE PROBATION ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Probation Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, at the present time the consent or concurrence of the crown attorney is necessary in certain cases for a person convicted to be released on probation. This bill provides that the discussion will be entirely in the court and will be taken away from the crown attorney.

THE REAL ESTATE AND BUSINESS BROKERS ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Real Estate and Business Brokers Act."

Motion agreed to; first reading of the bill.

He said: This bill has a number of sections. The bill provides for a definition of "official" which when read with other sections of the Act will require both the individual and the partner to be registered in the future, or certain officers of the company along with the company to be registered as real estate brokers.

It also contains provisions in respect to contracts to prevent any salesman or other broker getting a commission in a case where he has entered into the transaction when there was an exclusive contract outstanding in the favour of some other person.

THE SURVIVORSHIP ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Survivorship Act."

Motion agreed to; first reading of the bill.

He said: This bill contains a provision which is designed to help towards uniform legislation in the insurance field, and has to do with the presumption in the case of an insured and the beneficiary both dying as the result of an accident.

THE UNCLAIMED ARTICLES ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Unclaimed Articles Act."

Motion agreed to; first reading of the bill.

He said: This amendment gives power to jewellers, watchmakers and repairers of those types of articles to dispose of the article after a certain period of time for charges that have accumulated, in the same way that this may be done in a number of other types of occupations at the present time.

THE PUBLIC HEALTH ACT

Hon. M. Phillips moves first reading of bill intituled, "An Act to amend The Public Health Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, I would like to tell the hon. members of this House that section 5 of The Public Health Act has 46 subsections which give legislative authority to make regulations to cover practically the whole field of public health.

It deals with all these things which tend to prevent disease, as well as to create good, sanitary conditions in regard to frequent and effectual cleansing of streets, yards and premises, whether private or public, as well as the

proper construction and maintenance of water and sewage systems, including private sewage systems such as the construction of septic tanks; also prescribing the terms and conditions concerning licences for fumigation or extermination of insects, vermin, etc., in either private or public buildings.

A great many of these 46 subsections, although they were good yesterday, have to be amended in order to bring them up to meet 1957 conditions. It consists of, really, 6 sections, although two of them are complementary to each other.

Subsection 1 of section 1, and also section 6, of this amendment simply provide that the provisions repealed, which deal with water and waterworks and sewage and sewerage projects are being transferred to The Ontario Water Resources Commission Act, 1956.

Subsection 2 is complementary to section 5, which deals with the upholstering and stuffing of all things like upholstered furniture, mattresses, etc. The provisions respecting upholstered and stuffed articles are re-enacted in order to bring about better administration and enforcement practices and to keep in accord with modern manufacturing practices.

Section 3 deals with the legalization of the implementing and maintenance of health units, whether on a county basis or on a group or municipality basis. What I mean by that, Mr. Speaker, is that any group of municipalities, whether they are all within one county or whether some are in one county and another one, two, or three or more are in close proximity, it is perfectly legal for them to set up these health units.

The next one we come to is to provide for legislation in order that cities of 100,000 and over are allowed to have an assistant medical officer of health. Up until the present time, the medical officer of health was able to hire certain medical doctors, on a part-time basis. Now they can have a full-time assistant medical officer of health.

The next section deals with school boards, which, through their local board of health or through their health unit,

may make a contract in order that the children of the school may have proper medical and dental care.

THE PUBLIC LIBRARIES ACT

Hon. W. J. Dunlop moves first reading of bill intituled, "An Act to amend The Public Libraries Act."

Motion agreed to; first reading of the bill.

THE PUBLIC SERVICE ACT

Hon. G. H. Dunbar moves first reading of bill intituled, "An Act to amend The Public Service Act."

Motion agreed to; first reading of the bill.

He said: In The Superannuation Act, since it first began, there has been a clause where a civil servant who declined to come under the civil service superannuation could never have his case reconsidered. That has been there all the time, and I want to change it so that in the future, up to 1959—and I am not saying that this government is going out of power in 1959, but I do not want to take the power too far in advance—it will read that such a case may be reconsidered.

There is another one here where, prior to 1948 civil servants were paying into the superannuation fund 4 per cent. of their salary. Those entering after 1948 were paying 6 per cent. As of April 1, 1957, all will be paying 6 per cent.

The superannuation has been changed several times, but they will benefit in that way, because the ceiling has been lifted. There was a ceiling of \$3,000 until two years ago. That has now been lifted, and the civil servants who came in prior to that, say, in 1945, 1946 and 1947, are paying just 4 per cent. If they were to leave for any reason, for example, through sickness or anything, they would be superannuated before their time and would receive just 4 per cent., and the government would have to pay 4 per cent.

We feel we want to be fair with the civil servants, and we want to pay them 6 per cent. if they pay 6 per cent., which the Civil Service Association is satisfied to do.

Then again, we are making every effort to have civil servants come on the permanent list, and we have this year, as a result of my Act last year, 559 from The Department of Highways alone who were casual then, and who are permanent now.

MR. MacDONALD: Another 8,000 to go.

HON. MR. DUNBAR: Oh, not quite, although I think they are pretty well satisfied. I have not really had the time to count them. Have you counted them?

MR. MacDONALD: You should read the last editorial and see if they are satisfied.

HON. MR. DUNBAR: Mr. Speaker, I beg leave to present to the House the following:

Annual Report of the Ontario Research Foundation for the calendar year 1955.

48th Annual Report of The Hydro Electric Power Commission of Ontario for the year ended December 31, 1955.

MR. SPEAKER: Orders of the day.

MR. M. B. DYMOND (Ontario): Mr. Speaker, before the orders of the day I would like to draw the attention of the House to a statement which was made by an hon. member when speaking of the hospital insurance proposal tabled in the House, and I wish to raise objection to a certain statement which was made in that speech.

When speaking yesterday, the hon. member for York South (Mr. MacDonald) referred to the fact—and I quote insofar as my memory serves me—that “out-patient diagnostic services had been left out of the new proposal because it would interfere with the medical professions, and this was their most lucrative field”—and again I would

point out that is insofar as my memory serves me.

I wish to register an objection to this statement on two grounds. First—and this is the most important in my mind—because I believe it is a most unfair and objectionable practice to criticize and castigate, in an assembly such as this, individuals or groups when they are not in a position to offer anything in their own defence.

Secondly, I would object on the ground that the hon. member is obviously misinformed on this subject; at least I should like to think that his statement seems to be from misinformation rather than a deliberate attempt to distort the facts.

As a member of the profession referred to, I would like to suggest to the hon. member that the great bulk of this out-patient diagnostic work is done in the out-patient departments of our hospitals. As it appeared in the preliminary proposals tabled last year, by the government, the total estimate for this work was something of the order of \$2.5 million.

Now, Mr. Speaker, I would point out that this is not a lucrative field when one finds that the total hospital proposal embraces an amount in excess of \$150 million. If the gross income of the radiologists appears to be large, it should be remembered that for the practice of radiology a large capital investment is essential; a very heavy expense is incurred in this specialty, and the depreciation and obsolescence of equipment is very heavy indeed, more so than in other branches of medicine. All this has to be borne by the doctor practicing the specialty.

In the case of the hospital the picture is quite different. It is true that many hospitals show substantial profits on anything arising from radiology and pathology, but when the hospital requires new equipment all they have to do — if one is to judge by the pattern in the past — is to go to some municipality or the government or some foundation and ask for and usually receive a substantial grant.

So the matter of depreciation and obsolescence is ruled out in the case of a hospital. Were they to write off a reasonable amount to cover this depreciation, I am quite certain the departments would not show the profits they do now.

Mr. Speaker, lest the hon. member for York South feels that my sensitivity arises from personal concern, I would point out I am not at all personally concerned in radiology. I may suggest, sir, that I own X-ray equipment which is a financial millstone about my neck, but which is a very essential convenience for the people under my care.

My sensitivity stems from my first objection, that it is most objectionable in my mind for anyone in this House to

offer criticism or castigation of an individual or group when that individual or group is not given the opportunity to defend themselves.

MR. SPEAKER: Orders of the day.

HON. D. PORTER: Mr. Speaker, before moving the adjournment of the House I would remind the House that tomorrow we shall proceed with the debate on the Speech from the Throne.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 3.50 of the clock, p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, January 31, 1957

THE QUEEN'S PRINTER
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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

THURSDAY, JANUARY 31, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

CLERK OF THE HOUSE: The following petition was read and received:

Of the Corporation of the City of Peterborough praying that an Act may pass amending The City of Peterborough Act, 1908, as amended to alter the provisions with respect to the manner of voting for aldermen at municipal elections.

MR. SPEAKER: Presenting reports by committees.

Motions.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. The 39th annual report of the Civil Service Commission of Ontario for the year ended March 31, 1956.

2. The 36th annual report of the Public Service Superannuation Board.

3. The report of the Provincial Auditor on The Public Service Act and Retirement Fund for the year ended March 31, 1956.

4. The report of the Provincial Auditor on the Public Service Superannuation Fund for the year ended March 31, 1956.

MR. SPEAKER: Introduction of bills.

Orders of the day.

HON. J. N. ALLAN (Minister of Highways): Mr. Speaker, before the orders of the day, may I say this:

Because of several inquiries I have had concerning the article which appeared on the front page of the *Globe and Mail* of Tuesday, January 29th, stating that an Ontario Highways Department contract had been sold by one road building firm to another for \$12,500, I thought that it was desirable to acquaint the hon. members of the House with the details of the handling of the contract referred to.

This contract, No. 53-45, was on highway No. 70 in Kenora District and covered 13 miles of hot mix paving from 8 miles north of Sioux Narrows to 5 miles south of Sioux Narrows. The advertisement for tenders appeared on June 20, 1953 and the contract was awarded on July 16, 1953. It was awarded to the Standard Paving Limited.

There were 5 bids in all, the lowest tender, that of Standard Paving Limited, being \$148,112. The second low bidder for this contract was Hacquoil's, with a bid of \$153,140.

After the award of the contract the Standard Paving Limited requested permission to sub-let the work to Hacquoil's, the second low bidder. Their letter is dated July 22, 1953. This request was recommended for approval by Mr. W. A. Clarke and ap-

proved by Mr. J. D. Millar, and a work order was issued approving the subletting on July 23, 1953.

This procedure was in order and was in accordance with the regulations at that time.

I would like to emphasize that all our dealings were with the Standard Paving Limited, the prime contractor for contract No. 53-45, and all payments for work performed were made to Standard Paving. Hacquoil's, being the sub-contractor, were of course paid by Standard Paving.

SPEECH FROM THE THRONE

First order, consideration of the speech of the Honourable the Lieutenant-Governor at the opening of the session.

MR. GEORGE C. WARDROPE (Port Arthur): Mr. Speaker, I would ask leave to move, seconded by Mr. H. L. Rowntree (York West), that a humble address be presented to the Honourable the Lieutenant-Governor of Ontario as follows:

May it please Your Honour:

We, Her Majesty's most dutiful and loyal subjects of the legislative assembly of the Province of Ontario now in session, beg leave to offer our humble thanks to Your Honour for the gracious speech which Your Honour has addressed to us.

I echo, I am sure, the sentiments of every hon. member of this House, Mr. Speaker, in expressing my warm congratulations on the manner in which you have performed your duties during the two sessions of this assembly held since the people of this province endorsed in such an enthusiastic manner the record of the administration.

You have at all times been courteous, patient and fair in your rulings. You have been impartial, and you have shown marked kindness to those of us who do not occupy seats on the treasury benches. It must be a source of satisfac-

tion to you as well as to all of us that you have maintained the high traditions established by your many distinguished predecessors.

In recent weeks we have read with interest certain speculations to the effect that Her Majesty, the Queen, may possibly visit this continent during the present year. If, as seems likely enough, Her Majesty receives and accepts an invitation to pay a state visit to the President of the United States, it would seem certain that this nation would be included in her proposed tour. We can assure Her Majesty of a warm welcome on the part of her 16 million loyal subjects in this great and growing Dominion.

Should any doubt the depth of love, loyalty and affection for Her Majesty and for the members of the Royal Family throughout the Commonwealth, their doubts should be dispelled on reading the accounts of the reception accorded Her Royal Highness, the Princess Margaret, on the occasion of her recent African tour, and likewise the wonderfully warm welcome extended to the Duke of Edinburgh on his visit to Australia.

In peace and in war, in prosperity, in adversity, the monarch and the members of the Royal Family do not fail to set an example of leadership and devotion which is a continuing inspiration to the millions of people who live within the borders of a Commonwealth which is a bulwark of freedom and democracy.

It was with the greatest regret that we of this House learned of the death in July of last year of our esteemed colleague, W. Elmer Brandon, Q.C. Our late friend entered this House as member for York West following the general election of 1951. He was re-elected in 1955. As is the case with so many of the members of our Legislatures and of Parliament, he served a long apprenticeship in community affairs, as head of the local municipal council and in the York county council. On very many occasions he demonstrated to this Legislature his wide knowledge of the affairs of our province, and more

especially the intricate and complicated field related to municipal government.

His genial and kindly personality, his capacity for hard and constructive work, and his devotion to public service won for him universal respect. Our sincere sympathy is extended to his widow and his family.

We have in recent days suffered a second grievous loss in the passing of our good friend, Thomas L. Patrick, who for 14 years represented in this assembly the riding of Middlesex North. Mr. Patrick had not been well in recent months but he had seemed to be making a satisfactory recovery. One of Ontario's leading livestock breeders, he had gone to Illinois to purchase breeding stock, when his end came with startling suddenness.

Like the late member from York West, he served an apprenticeship in the municipal field; he entered this House in 1943, and was returned in 4 succeeding general elections. He rendered sterling service on numerous committees and also served as Deputy Speaker and as chairman of the Committee of the Whole House. He was well versed in municipal and provincial affairs. His name was well known here and in the United States because of his outstanding accomplishments as a livestock exporter, specializing in sheep and pure-bred cattle.

To his widow and his family are extended our deep sympathy.

Here, I should like to extend my hearty congratulations to the seconder of the motion for the adoption of the Address of His Honour, the Lieutenant-Governor. I refer to the hon. member for the riding of York West (Mr. H. L. Rowntree).

Mention of this large and historic riding brings to mind the names of a number of representatives who have served in this House and in the Parliament of Canada with honour and distinction. I recall very well Sir Harry Drayton, at one time Minister of Finance for Canada. I also recall the hon. Dr. Forbes Godfrey, Ontario's first Minister

of Health, who served for many years in this assembly.

I also recall Mr. Rodney Adamson, who represented the riding in the federal arena, who, with his very charming wife, lost his life in a tragic airplane disaster a few years ago.

The hon. member for York West deserves our hearty congratulations on the result of the recent by-election which enabled him to join our ranks. Through his own efforts he gained his legal training; he has won for himself a distinguished position as a member of the bar; I am sure he will give a good account of himself as he joins in the deliberations of this House.

This fast-moving age in which we are living brings many changes, not excepting changes in the personnel of our various administrations.

First, may I congratulate the hon. Minister of Agriculture (Mr. W. A. Goodfellow) on his appointment to one of the most important portfolios within the gift of the government. The hon. Minister who entered this assembly in 1943 was presently appointed to the portfolio of Public Welfare, where over an extended period he won a reputation as an able, and let me add, most humane administrator. He then transferred to the important Department of Municipal Affairs where he added to the lustre of an already impressive record. Later, followed his transfer to his present portfolio where I have no doubt whatever he will give a good account of himself.

Here, I should like to inject a word of appreciation for the former incumbent of the Agriculture portfolio. I refer, of course, to the hon. member for Elgin (Mr. F. S. Thomas). The hon. member had served with distinction in the Public Works portfolio, and later brought to bear on the Department of Agriculture his qualities of leadership, vision and expert knowledge. It is a matter of sincere regret that ill-health forced him to lay down the burdens of ministerial office. I am sure the hon. members of the House join me in best wishes for his full recovery.

I should like to extend my good wishes to the hon. Minister of Municipal Affairs (Mr. W. K. Warrender) in the responsible office which lately he has assumed. His long experience in the municipal field in his native city of Hamilton, as Minister of Planning and Development, and as vice-chairman of The Hydro-Electric Power Commission of Ontario, will, I am sure, guarantee his success in his present post.

Also, I should like to extend my congratulations to the hon. member for Hamilton-Wentworth (Mr. R. Connell) who recently became Minister Without Portfolio and vice-chairman of The Hydro-Electric Power Commission of Ontario. The hon. Minister brings a broad experience to bear on his new duties. As a very young man the hon. Minister took over the management of the family farm where he has acquired outstanding success. As a councillor, deputy-reeve, reeve, and finally warden of Wentworth County, he served a long and sound apprenticeship in public life.

Entering this House in 1951, he gained experience as a private member. He is a splendid representative of the great agricultural community in this province. He will render sterling service on the commission which directs Ontario Hydro, one of the world's greatest public utilities, which, thanks to its expansion of recent years, is doing so much to lighten the burden on every farm in this province.

I can mention only 3 or 4 names out of the thousands of men and women who are rendering outstanding service either as employees of the province or of the various boards and commissions accountable to the administration.

Some of them have passed to their reward, and here I should like to pay my tribute to the late Dr. J. G. Althouse, Chief Director of Education. A man of great academic and administrative qualities, Dr. Althouse made a mammoth contribution to the cause of education. His gentle demeanour, his humbleness of mind, and his unfailing courtesy have left a deep impression on all of us

who had the privilege of sharing his acquaintance.

I should also like to say a word of appreciation in respect of Dr. R. L. Hearn, the retired chairman of The Hydro-Electric Power Commission of Ontario. In substantial part the Hydro enterprise of today is a monument to the energy and the vast engineering skill of Dr. Hearn. I am sure that retirement from the Hydro chairmanship is merely the termination of a single phase of an outstanding career, and my expectation is that Dr. Hearn's great talents will continue to be devoted to the upbuilding of this great and growing province.

May I commend the hon. Minister of Highways (Mr. Allan) on the promotion of one of his senior and veteran officials, Mr. W. J. Fulton, to the post of Acting Deputy Minister. This is a most important post involving heavy responsibilities. The appointment is based on long experience; it confirms the principle of promotion and I am sure the new incumbent will give a good account of himself. His long experience in the civil service of this province provides a background of knowledge which should be of the greatest value.

I could speak of many other members of the civil service, the Deputy Ministers, the secretaries, the branch heads, the rank and file, and not forgetting the members of the outside service. However, suffice it to say that I have met with universal courtesy and efficiency. Under this administration there has been a marked improvement in salary schedules. Superannuation allowances have been placed on a realistic scale.

Also, let me add what is vastly important, there is security of tenure of office. Today, no employee of this government is removed from office without ample cause. There are one or two members of Her Majesty's Opposition still sitting in this House who will recall readily enough the reign of terror which once was invoked in the civil service, an episode which they should remember with shame and regret.

As we look back over the past few years we cannot fail to be impressed

by the development of this province of Ontario. There are, I suggest, only 3 major factors which might halt this development. The first is a depression, something we should be able to avoid. The second is the outbreak of a Third World War. The third is a continuation of the extravagance, the unrealistic outlook, the lack of perception and the crushing taxation of the present government of Canada.

Government has been well described as a medium through which people may accomplish those things necessary for the public good which they are unable to accomplish as individuals.

But when we look back to 90 years ago it is easy to conclude that the fathers of Confederation had no thought of launching a federal system which would evolve into the Frankenstein we see at Ottawa today. We see there a crushing, indeed a savage system of taxation. We see there an attitude which ignores the traditional obligations of the provincial and municipal governments. There is a complete failure to realize the responsibilities of these governments as to streets, roads and highways, education, health and hospitals, water supply and sewage disposal, public welfare, jails and reformatories, administration of justice, agriculture, and a whole multitude of other services which must be maintained to avoid the halting of our progress.

They have money for the Colombo Plan. They have money to keep a whole horde of ministers and bureaucrats travelling in luxury over the whole habitable surface of the globe. They have \$40 million a year to keep the Canadian Broadcasting Corporation in business—largely, apparently to keep the faces, the lives and the times of the hon. Paul Martin and the hon. Lester Pearson before the people. They found the money to pay \$350,000 for an ambassador's house in Rio de Janeiro; \$25,000 to renovate it; and \$95,000 for furnishing, including \$1,000 for each of two mirrors. I wonder how all this appeals to the people on the back concessions.

They secure one-half of the money for which they mulct the taxpayer

right here in Ontario. They are right now accumulating a surplus running from \$300 to \$400 million a year, perhaps more. Yet they are unaware of the necessities of our lesser governments. They are unaware of the state of the many old-age pensioners dependent on the state for their livelihoods. And they even deny Parliament the opportunity of studying and debating the subject of how they shall spend the people's money.

It is no wonder that there is a revival of Conservatism all across this Dominion. Our good friend, the hon. George Drew, demonstrated his great capabilities when he headed the government of this great province. At Ottawa he battled for the principles of freedom and democracy until his health failed him under the strain.

It is fortunate that we have a parliamentarian, a great Canadian of the calibre of John Diefenbaker, to take up the fight for the restoration of parliamentary government in Canada. I believe that when the opportunity comes, as it must soon come, the people of this Dominion will hand over the conduct of affairs to men who will end waste, excess taxation, the defiance of Parliament, the neglect of the lesser governments, and the other evils of a government which has forfeited the confidence of the people. It is a day which cannot come too soon.

In the field of provincial-municipal relations, the present government of this province has an outstanding record.

In the main, municipal revenues are derived from taxation on real estate. There is a limit to the taxation which can be borne by real property, more especially taxation on the farms and the homes of our people. There comes a time, and sometimes I wonder whether we have not already reached it, when the farm or home owner no longer really owns his property at all. In other words his tax burden reaches the point where taxation essentially becomes an annual and perpetual rental charge paid to the municipality. Such a situation deters home owner-

ship; it is unfair and unrealistic. In the light of its income sources, I suggest that this government has gone a very long way in helping the municipalities.

On May 14, 1956, the hon. Minister of Agriculture (Mr. Goodfellow), at that time Minister of Municipal Affairs, pointed out that in 1938-1939 the federal government took 52.1 cents out of the Ontario tax dollar, the province took 15.1 cents, and the municipalities 32.8 cents.

Today, he stated, the federal government takes 80 cents, the province 6.3 cents, and the municipalities 13.7 cents. These figures speak for themselves. They indicate a federal attitude wholly unrealistic and totally unfair. Yet in spite of the limitations imposed by Ottawa, the government of Ontario manages to pay \$185 million in municipal grants — nearly 10 times the amount paid by the government which preceded it.

Approximately 45 per cent. of the provincial revenues are handed over to the municipalities in the form of grants. Put in another way, to every dollar raised locally by the municipalities, this government adds 50 cents.

One major change made by this administration was to include cities, towns and villages as well as counties and townships in the list of municipalities eligible to receive road subsidies. This is of immense help to urban centres, which, after all, have most serious road and street responsibilities. I understand that municipal road and street subsidies now total some \$45 million a year.

I wonder if our friends in power at Ottawa ever read of what the federal government of the United States is doing as to highways problems? If so, they will have read in recent months that the federal government in that country has voted \$16 billion to build, renovate and repair a 40,000-mile network of interstate highways.

Compare this with the attitude of the government of Canada. It has for

some years been doling out some grudging aid for the construction of the Trans-Canada Highway, but after that, what? Just nothing at all. Aid for anything as prosaic as good highways might curtail funds for palaces for Canadian ambassadors. It might halt the travels of the hon. Paul Martin, Minister of National Health and Welfare, which in turn would largely curtail the film presentations in the CBC nightly news presentation.

Education poses a major provincial-municipal problem. There are about 1.1 million pupils in our schools. During 1955, 481 building projects provided new accommodation for 77,150 pupils. Provision of new school accommodation is a problem bound to be with us for many years to come.

A new teachers' college has been built and opened in eastern Toronto; another is planned for the western part of the Toronto metropolitan area. Construction is far advanced on another teachers' college at Hamilton, while still another is planned for the London area.

The Lakehead College of Arts, Science and Technology succeeds the Lakehead Technical Institute which has already accomplished so much for my part of the province. The Textiles Institute at Hamilton becomes the Hamilton Institute of Technology. Plans are prepared for a new university in the Kitchener-Waterloo area, while existing universities are pressing ahead with various building programmes.

It is good to know that the important and popular Ryerson Institute here in Toronto is being provided with new, entirely modern quarters, while plans are being made for the establishment of some 12 junior universities.

Turning to the subject of education grants, may I point out that these now total about \$84 million a year with an additional \$16 million for the universities.

I should, I think, direct a special word of commendation to the hon. Minister of Education (Mr. W. J. Dunlop). His

lifetime of experience in the field of education has made him a realist, which is something for which we should be grateful. In his general policy of making provincial funds available essentially for actual requirements to the exclusion of "frills" as they are termed, he shows a laudable concern for the taxpayer, who after all receives too little sympathy from our federal masters.

As to the teacher shortage I should point out this:

First, where special permits or licences have to be issued because of the lack of certain academic standings, let it be pointed out that, especially in the elementary schools, basic teaching ability often brings better results than does academic standing.

Second, let me say this: our facilities today are such that no boy or girl in Ontario need go without a sound, basic education, and that is what counts. When the hon. Leader of the Opposition (Mr. Oliver) was a member of a former government, education grants were but little more than \$8 million a year—something he might do well to remember when criticizing the present administration.

Now let me turn for a moment to the field of health. Up in the riding which I have the honour to represent, the former government launched a very puzzling enigma. They started to build a mental hospital but abandoned the project after erecting an administration building. It was left to this government to construct the hospital and this has been done. We now have at Port Arthur a thoroughly modern mental hospital to serve the northwestern part of Ontario. The old jail farm property, long used as a small inadequate mental hospital, has been returned to its original use.

Again, I should mention that at North Bay a duplicate of the Port Arthur hospital is now under construction with work well advanced.

Mental illness, I scarcely need say, knows no geographical boundaries. Year after year, decade after decade, hospitalization for patients from the north has been provided mainly at the Ontario

hospital at New Toronto. And let me add that administration at this hospital is a model of courtesy, kindness and modern efficiency. But now, thanks to the realistic views of this administration, the north country is at last getting the facilities demanded by its population growth and by the vast distances involved.

The latter factor presents real difficulties. Perhaps in the fullness of time two or three other hospitals, not necessarily very large, may be established at strategic points to more fully serve the needs of northern Ontario.

In the great field of human betterment, an inclusive yet readily understandable term, this government has launched improvements which can be termed not less than monumental.

We must, of course, exercise prudence. We must be wary of those who would have us tread the primrose path, the advocates of pie in the sky. We cannot afford to supply filet mignon at the price of bologna with the aid of government subsidy.

After all, governments have no money of their own. What they have they must raise by taxation, disguise it however you will. But this government, while improving facilities related to development of our physical and material assets, likewise has established an humane, and indeed admirable record in the human betterment field.

The hon. Prime Minister (Mr. Frost) this week submitted a hospital plan which is an inspiring proposal. He said that we must avoid costly mistakes because with a population of over 5 million people we cannot afford to make mistakes, that the difference of a decimal point can mean millions of dollars of taxpayers' money. It is a plan which does not try to fool the public. It is a plan which will look after the health of our people at a cost that will not cripple our provincial treasury.

You will have noted in the Throne Speech the very important statement "the federal treasury is filled to overflowing." They know that the commencement of our hospital plan only awaits

agreement of the federal government—now it is clearly up to them.

A short time ago I noted in the press where the federal Minister of Health and Welfare had visited many countries, and in every one he was greeted by having the red carpet rolled out for him. I would just say that on Monday our hon. Prime Minister of Ontario jerked the rug from under him. He is now told that he has to either "put up or shut up," and we want no more "weaseling" and we are not going to stand for it.

Some 25 years ago the area designated as northwestern Ontario occupied a unique position in Canada. Southern Ontario, Quebec, the Maritimes and the West were developing, growing and consolidating. They were creating great industrial and commercial cities and thriving country towns. Yet the great northwestern section of Ontario, with some reason, felt itself to be a neglected land, a country apart.

What a change there is in the outlook of today! Hundreds of miles of pavement are linking centres enjoying an exciting growth. Fort William, Port Arthur and their suburbs provide homes for close to 100,000 people. It is easy to see Kenora, Dryden, Fort Frances, Atikokan and Manitowadge blossoming forth into energetic cities. Towns such as Terrace Bay, Marathon, Geraldton, Nakina, Sioux Lookout and Red Lake are sharing this growth. They are bustling with activity.

Homes for woodsmen spring up in the heart of the bushland as thousands of workmen cut, pile and deliver wood for the huge pulp and paper mills featuring the various districts.

Although grain storage facilities and machinery for transferring the wealth of the prairies to lake boats have been expanded, yet a multiplicity of other industries have sprung into being from one end of northern Ontario to the other. Ships, trains, trucks and aircraft are handling a tremendous flow of varied products which vindicate the faith which the pioneers entertained in the face of unbelief on the part of others a quarter-century ago.

Paper, buses, aircraft, ventilation equipment, furniture, big lake boats, pleasure boats, plywood, precision parts, refined oil and gasoline, edible oils, concrete materials, brick, brewery products and iron ore are but some of the products of northwestern Ontario, to be shipped not only to eastern and western Canada, but to many points abroad.

Yet this is but the beginning. By next year copper, zinc and silver will be produced at Manitowadge and Coldstream. A huge new paper mill is to be erected at Sioux Lookout. The 3.25 million tons of iron ore shipped this year from Steep Rock Mines at Atikokan will shortly become 10 million tons a year from the mines at Steep Rock and Caland. More plywood will be manufactured at a new plant at Nipigon. And the next 5 years will see a further diversification of manufactures all across northwestern Ontario.

Twenty-five years ago the pioneers of this big section of our province looked with envious eyes at the expansion elsewhere in Ontario and across Canada. In this expansion they failed to share. Today presents a different scene. Northwestern Ontario is coming into its own.

Within the past two years, according to a conservative and reliable estimate, new capital investment in northwestern Ontario has reached a total of \$320 million. This includes the enlargement of established paper mills, construction of a new paper mill at Sioux Lookout, new developments at Atikokan for additional production of iron ore, and new mining plants at Coldstream and Manitowadge for copper, zinc and silver production. It also reflects the expansion of distribution companies and numerous smaller industries.

Outstanding in the recent northern developments is the discovery of vast deposits of base metals, notably iron, copper and nickel. These discoveries have given rise to the establishment of some of the world's most important mining industries.

Hand-in-hand with mining and industrial growth goes the progress of agriculture. This helps meet the demands of

a growing population while aiding the various farm communities. Again, we see a vastly expanding tourist industry. And finally, we have a development of cultural activities, making life more interesting for young and old, and indeed for all who participate in northwestern Ontario's onrushing development.

Looking at the mining picture as of the end of the year 1956, one is struck by the predominance of iron mining in terms of dollar value. Just 10 years ago, the annual shipment of iron ore was valued at \$4,585,000. But in 1956, shipments from Steep Rock were valued at about \$38 million, gross. It is estimated that 5 years from now the annual production of minerals from the district will total more than \$140 million.

While iron and gold feature mining operations in northwestern Ontario, this current year will see the start of production at 3 large base metal mines. Investment by the end of 1957, in new or expanded base metal operations, will total well over \$30 million.

Two outstanding new base metal developments are located at the Manitouwadge camp, some 200 miles north-east of Port Arthur. The district is now served by two recently opened branch lines operated respectively by the Canadian National and the Canadian Pacific railways. Road communication has been furnished through the enterprise of The Ontario Department of Highways.

Underground work and general construction are well advanced at both Geco and Willroy mines. The mill at Geco, slated for operation in May next, will handle about 3,300 tons of copper ore each day. Willroy, located more or less next door to Geco, is also rushing development work, and this promising property will likely be milling ore this fall. The importance of the Manitouwadge camp will be better realized when I say the combined ore content of these two properties is now estimated to exceed \$600 million.

Under the direction of The Department of Planning and Development, and in consultation with The Department of

Mines, a model townsite has been surveyed. Provision is made not only for the establishment of modern homes for the workers, but for churches, schools, stores, recreational facilities, and in fact all the facilities which feature an up-to-date town. This, and similar centres under establishment, will not be company towns but rather normal centres with the accent on individual home ownership.

Eighty miles west of Port Arthur another development is scheduled to come into production in 1957. I refer to the Coldstream Copper Mines, Limited, which plans a mill with a capacity of 1,000 tons per day.

In the Kenora area, underground operations are under way on promising base metal showings. I might mention Eastern Mining and Smelting, Norpax Oils and Mines, and Maybrun Mines, Limited.

Some 40 miles southeast of Kenora, in the Populus Lake area, Kenbridge Nickel Mines, Limited, a Falconbridge subsidiary, is developing some promising nickel finds. Shaft sinking has proceeded to a depth of 540 feet with lateral work at the 350- and 500-foot levels.

I might also mention briefly Quebec Nickel, operating next to Norpax, and soon to be in production. South of Red Lake, a huge discovery of magnetite gives considerable promise of additional iron production within a few years. Here, the mineralized belt runs north-east for several miles into the Lake St. Joseph area, and along this belt several large mining companies have taken up ground.

At Nakina, an Anaconda subsidiary has a magnetite property of promise. Here, considerable development funds have been spent. According to my information, the former owners received around \$300,000 for their properties. When this is considered, along with the fact that about \$1 million has been expended on development, it may be assured that there is every likelihood of early production.

Again, in the Coldstream area, International Nickel holds a large, proven

nickel property, which also will produce copper, platinum and the conventional associated minerals.

In passing, I should remark that there is every likelihood of the Athabaska oil sands being brought into production, this with encouragement or sponsorship of the governments of Canada, Great Britain and the United States. As is well known, these sands contain the world's largest untapped oil reserves. There are indications that problems of extraction are in a fair way to being solved. Here, the potential development is so massive as to stagger the imagination.

Benefits to the Lakehead are not a remote possibility, because with the completion of the St. Lawrence deep waterway the Lakehead will become one of the world's greatest warehousing and trans-shipment points. This, along with other and more immediate developments in the realm of oil, means the dawn of a new day for Ontario.

Before leaving the subject of mine development, I should mention the 1955 spodumene finds in the Beardmore area, 120 miles northeast of Port Arthur. At Nama Creek Mines, a plant has been erected along with subsidiary buildings, and the present year should see full development of what appears to be an important property.

Prophecy may be dangerous, though one would not think so from reading the Gordon report on Canada's probable economic future, but this I do suggest. Looking ahead for say, 5 years, we might expect an annual production of 8.5 million tons of iron ore from Steep Rock and Caland alone, this with a value of \$100 million. Copper, zinc and silver should add another \$30 million; taconite should be mentioned as another possibility; then there is a very good chance that nickel and lithium will be numbered as important products of our part of the province.

I should mention, of course, the great uranium developments near Blind River. Here, within a 10-mile radius, there is promise of a dozen new, great mines. In this limited area, more than

\$200 million has already been spent in development which has proceeded to the point where proven mines have achieved contracts for the sale of uranium to the government of Canada in excess of \$1 billion. I think I can fairly say that never before in so short a time has so much money been spent in so small an area.

During 1955, Ontario's mineral production was about \$600 million, the nickel-copper production in the Sudbury Basin accounting for about \$320 million. In northwestern Ontario we cannot hope to reach the Sudbury record at once, but indeed, we are on our way. It is interesting to note that new processes evolved at the International Nickel operation are producing iron pellets as a by-product, to the point where Inco is becoming an important iron producer; they are well on the way to producing sulphur as well.

Canada is a big country; it is a big mineral-producing country, but right now Ontario accounts for more than one-third of Canada's whole mineral production.

These things do not just happen. They imply courage and vision. They imply technical skill and knowledge in the highest degree. They imply wise laws and sound, progressive administration. And they imply sound governmental leadership, and that is something we are getting from my good friend, the hon. Minister of Mines (Mr. Kelly). I congratulate him most heartily in respect of a good job, well done.

In Ontario it must be admitted we are handicapped by our dependence on non-Ontario supplies of fuel. Hard coal, once the standard domestic fuel, used to be put in our bins for about \$8 a ton. Today, it costs \$25 a ton or more, according to geographical location.

Bituminous coal has likewise been subject to numerous price increases.

As to lignite, which we have in abundance, let us hope that our experi-

ments here will be carried to a more happy conclusion by future generations.

Southern Ontario homes, and indeed very many northern Ontario homes, now depend on oil heating, as do very many commercial and industrial establishments. We now, however, have another string to our bow. I refer, of course, to the importation of natural gas from our Canadian fields in western Canada. In my part of the province, the importance of the availability of this fuel cannot be over-estimated.

Installation of pipe lines, pumping stations and so on will bring new money to all of northern Ontario. The trans-Canada line in the north will cost, I understand, about \$118 million; the two affiliated distribution companies, Northern Ontario and the Twin City, will spend about \$32 million on their installations, a total of \$150 million capital expenditure.

It used to be traditional that coal and iron must be found reasonably near each other to produce a profitable steel industry. Today, of course, this concept is subject to modification.

It is, however, reasonable to assume that the importation of natural gas is bound to have a profound effect on industries based on our natural mineral resources. The "manufacturing conditions" of The Crown Timber Act, abrogated, I may say by the administration which preceded this one but now fully in effect, were responsible for our great forest industries. Stated briefly, I think it beyond argument that our goal must be the maximum amount of home manufacture of the raw products of forest and mine.

You will recall the days when nickel-copper matte was shipped to England or to New Jersey for future refining or manufacture. Here, I think perhaps the pressure of public opinion was one of numerous factors resulting in the construction of the immense nickel refinery at Port Colborne.

So it well may be with the iron and steel industry. As natural gas becomes available in quantity and at a reason-

able price, we may well expect a tremendous expansion of our Ontario iron and steel industry. Whether this comes by reason of the pressure of public opinion, by legislation, or by economic pressures, it will be a welcome development. Suffice it to say here that not one of us will, I think, fail to support the general principle of a maximum amount of home manufacture.

Natural gas will allow industry to carry further its present processing methods. This is something paramount in the minds of our people in north-western Ontario. They regret to see the transport of only partially processed materials which are shipped elsewhere for final fabrication because of the lack of cheap fuel.

Existing industry will employ new processes. Again, natural gas will be utilized as a raw material as well as a fuel. Combined with other products when broken down by modern chemical miracles, it will open whole new manufacturing vistas. Undoubtedly it will mean new and important primary industries.

New secondary industry is bound to follow, especially where heat-treating processes are involved. I might mention metal manufacture, glass manufacture, the conversion of hardwoods to fibre-board—these among many others. Beyond doubt we shall have a better-balanced forest industry.

We saw in the Canadian House of Commons a bitter battle on the subject of methods in relation to the importation of natural gas. The merits of that particular debate I do not intend to discuss here. There are, however, two observations I should like to make.

First, I think the hon. Prime Minister of Ontario and his administration deserve credit for their co-operation in the financing of the northern Ontario section of the pipe line.

Second, I suggest that the availability of natural gas as a domestic and an industrial fuel is one of the most important, even revolutionary, developments to touch the north. It will meet

a heavy fuel problem in an ideal way and in a country where an assured supply of fuel at a reasonable price is an absolute necessity.

We are experiencing a gratifying expansion of our already huge forest industries. Major mill projects, recently completed, under way, or projected involve capital expenditures exceeding \$200 million.

In the northwestern part of Ontario there are today 10 huge pulp and paper mills, producing more than a million tons of forest products each year. Their output is valued at \$200 million a year. About 20,000 workers are employed in mill and woods operations.

Our great conifer stands this year will yield a harvest of 2.5 million cords of pulpwood, sawlogs to produce 70 million board feet of lumber, 400,000 railway ties and 75,000 poles.

There are well-founded predictions that our newsprint industry will double its capacity within 25 years. Our forest resources will support such a growth. Our annual tree harvest is but a fraction of the allowable cut, and our use of hardwoods is relatively negligible.

While newsprint has tended to dominate the scene, the trend toward diversification is in evidence. Plywood and other plants are utilizing our abundant supplies of poplar. Mills are entering the cellulose field. I look for our local plants presently to manufacture insulation, fibreboard, chemicals, plastics, textiles, explosives and many other items.

Here, Mr. Speaker, I want to give full credit for a great advance in our forests and our forest products development to our hon. Minister (Mr. Mapledoram) and his capable Department of Lands and Forests staff.

Sustained yield is the key to an assured supply of raw material. On the solid foundation of the recent forest inventory, The Department of Lands and Forests is well on the way with a permanent programme. It includes development roads, adequate fire protection, mammoth reforestation programmes, a more intensive use of

hardwoods, and insistence on home manufacture. No single measure is doing more for our forest industries than is the required observance of the manufacturing conditions of The Crown Timber Act—conditions relegated to the ash can by a former government as our friends of the Opposition can well remember.

Each year about 30 million trees are supplied for planting from government nurseries. This output will be increased to 100 million. Plantings on Crown lands—less than a million in 1945—have increased to 7.5 million, and this is but the beginning. Sixty million trees have been planted under county, township and conservation schemes. In 1956, 16 million trees were supplied to private landowners.

The Sioux Lookout area—and I am glad to see the hon. member for Kenora (Mr. A. Wren) here—is shortly to have a new newsprint mill. This modern plant will cost \$60 million and the Anglo-Newfoundland Development Company has already deposited \$250,000 with the department as evidence of intention to proceed. This industry will expand Sioux Lookout into a community of 5,000 people.

Big expansions are planned by both the Great Lakes Paper Company and the Abitibi Company at Fort William, these expansions to cost an estimated \$80 million.

Various mills are engaged on expansion programmes at Dryden, Kenora, Fort Frances and Red Rock. At Nipigon the Northern Plywoods Company, Limited, is erecting a new plant to produce poplar plywood, this being the first plant of its kind in the northwest. It is interesting to note that in its expansion programme the Great Lakes Company is installing two new newsprint machines, one to be the world's largest, 342 inches in width.

In other words, they are going to make a sheet of paper 30 feet wide: imagine the tremendous production of that mill.

Ontario Hydro is consolidating its position in northwestern Ontario. I need refer only to the Ear Falls extension,

6,000 kilowatts; Aguasabon, 44,000 kilowatts; Pine Portage, 116,300 kilowatts; Manitou Falls, 68,000 kilowatts; Whitedog Falls, 18,000 kilowatts; Cameron Falls extension, 18,000 kilowatts; Alexander Falls extension, 13,500 kilowatts; and Caribou Falls, 75,000 kilowatts. For those who prefer another terminology, I may explain that one horse-power equals about three-quarters of one kilowatt.

This increased hydro capacity is used in our expanding pulp and paper industry. It is vital to the development of our mining industry. It is necessary to meet the growth of our towns, cities and hamlets. And it helps the tourist resort operator, the farmer and the hamlet dweller. I should also like to congratulate the Hydro Commission on its reciprocal arrangement with Manitoba, a fine example of inter-provincial co-operation. And in future, with our new vice-chairman, we will have more co-operation.

Don't discount northwestern Ontario as an agricultural community. Fifty years ago, more or less, the first settlers made their start. A good many early settlers were chiefly interested in taking off wood; they cleared a few acres, they kept a cow and a few chickens. Sometimes the homesteads were abandoned. But today, thanks to better roads and highways, to expanding local markets, there are brighter days ahead for our northern farmers.

They need, however, all the help they can get—guidance from the agricultural representatives, assistance in land clearing, sometimes aid in securing a water supply. Given anything approaching a good economic climate, they will share in the development of the north country and its resultant prosperity.

The tourist trade is big business in Ontario, and here the northwestern part of the province is doing very well. We rank as one of the best fishing areas in America; muskellunge, lake trout, pike, bass, crappies and perch are available in abundance, not to mention the wily speckled trout.

We have the lakes, the rivers, the forests, the scenery and the wildlife in abundance. In the resort business we need have no fear of any rivals: "You name it, we have it."

I think I should add a word about our parks, of which I am so proud. Our hon. Minister of Lands and Forests has done a great job in this phase of the work, and he has chosen a great civil servant in the person of Mr. Greenwood as his chief commissioner of parks.

Heretofore subject to divided jurisdiction, the parks have been consolidated under the management of The Department of Lands and Forests.

I was much interested in a recent statement of the hon. Minister of Lands and Forests to the effect that there are now 122 provincial parks, 45 of them recently taken over from The Department of Highways. In such parks as Algonquin and Quetico we have great and perpetual reservoirs of forest wealth and wildlife. It is good to note, for example, that in Algonquin, and I presume similar parks, the practice of granting leases for cottages or commercial establishments has been brought to a conclusion. I suppose there are very few pieces of Crown property in Ontario not subject to glances from envious eyes whose owners desire a concession for some reason or another. It follows that if we are to preserve these areas in all their natural beauty, there must be drawn a hard-and-fast line with a negative reply to all who would seek encroachments.

In these troubled and vastly dangerous days we all look with deep sympathy on the plight of many thousands of freedom-loving people from Hungary who, in the light of all the circumstances, must seek preservation of their very lives and achievement of liberty by seeking asylum on a foreign soil. Here is a work of common humanity where partisanship has no place.

I should like to compliment the hon. member for Bellwoods (Mr. J. Yaremko) for the service he undoubtedly rendered to many distressed people on his recent mission to Austria, where temporary

asylum was eagerly sought and freely given. It is fortunate also that Ontario House was re-opened by this administration. The Agent-General, Major J. P. S. Armstrong, I understand likewise went to Austria and gave most valuable aid in the emergency.

I am sure we shall listen with pleasure to the hon. member for Bellwoods and the hon. Minister of Planning and Development (Mr. W. M. Nickle) as they recount their commendable efforts in aiding the solution of a grave problem.

It certainly made the tears run down my cheeks to see a recent picture of our hon. Minister of Planning and Development with a beautiful little Hungarian child in his arms, smiling very sweetly at it, certainly a picture that must have wrung the hearts of those of us here who knew the terrible tragedy that Hungary was going through. I congratulate him.

I urge that we welcome these Hungarian refugees. Most of them are young, active, willing, and anxious to participate in the development of this Dominion. Many are people possessing high cultural and technical qualifications. I am sure we have ample room and opportunity for all of them.

I should like to congratulate the hon. Prime Minister for his promptness in dealing with this refugee problem. His whole course of action demonstrates his broad humanity, coupled with his unflinching course of co-operation with other governments in the interests of the public welfare.

It will be a pleasure to hear from the various heads of the departments, as during this session they give an account of their stewardship. Their record is an impressive one.

Under the hon. Minister of Public Works (Mr. W. Griesinger) that department is carrying on a record programme of both new construction and renovation. I have already mentioned the new mental hospitals at Port Arthur and at North Bay. I might also mention the 2,400-bed hospital and school, completed in recent years at

Smiths Falls. The furnishing of suitable housing for provincial police officers is a most commendable project.

Educational facilities are provided for the 1.1 million pupils in our schools, and the plans, implemented or in progress, related to junior universities, to universities in general, and to teachers' colleges are on a most impressive scale.

Our forest industries are attaining a permanent basis. Our system of forest protection is second to none in the world. Our highways administration is not only building huge traffic arteries as the Trans-Canada Highway and the great Windsor-Quebec border thoroughway, but it is also building, renovating and improving lesser highways on a scale never before approached. Aid to municipalities for the local road and street programmes has been increased more than 10-fold.

In an atmosphere of increasing expectancy, the patient people of north-eastern Ontario await from our government the announcement of a definite date for the start of the Fort Frances-Atikokan highway. Recently the hon. Minister of Highways has announced the work programme on the ice over Rainy Lake to investigate and determine the most desirable location for the causeway that is now under way.

This artery, long pledged to this section of our great northwest, will connect the border area and its rich farmlands with the fabulous iron ore country of Steep Rock.

But it will do more—ininitely more. This promised roadway will open to the people of western Canada and to the United States midwest access to our provincial primeval paradise — Quetico Park.

Whatever its cost, the highway in the years to come will prove one of the soundest investments ever made, in cracking open for development a great new area of our northwest and making our last unspoiled wilderness vacationland accessible to millions.

Mr. Speaker, I do not want to hear tremendous applause when I say I am coming to the conclusion of my re-

marks. I do say this, that I firmly believe that northwestern Ontario has the greatest endowment of relatively untapped resources of any area in the world. And with the completion of the St. Lawrence waterway, the Lakehead becomes a great ocean port right on our doorstep.

Natural gas will solve our fuel problems. The expansion of hydro guarantees unfailing power at rates which are economic and in accordance with our purse.

Our danger lies in the direction of Ottawa — an unrealistic view there as regards our provincial and municipal responsibilities; responsibilities we must meet or our whole economic progress is halted. I would like the hon. members opposite to see that this is brought home to them continually, to force them to give a better break to this wonderful province of which they are members as well as myself.

MR. NIXON: C. D. Howe will look after you all right.

MR. WARDROPE: One other danger is that of becoming an American satellite. Certainly we need capital, from the United States, from wherever we can get it. But surely we should have more of a national spirit than is in evidence at Ottawa today. Surely we do not need to follow slavishly the American line. Surely there is faith in the Commonwealth.

Let our government at Ottawa stand on its feet. And without getting selfish about it, let us have a little more of the spirit of Canada for the Canadians. Whether they are native Canadians or whether they have come to us from other lands, let's get on with the job of truly making Canada a nation, not merely an adjunct of some other country.

It is an honour, Mr. Speaker, to me and to the people I have the honour to represent to have this opportunity of moving the adoption of the Address of His Honour the Lieutenant-Governor of Ontario.

To the hon. Prime Minister may I say that he enjoys the utmost confidence not alone of this House, but also of the people of Ontario, for the leadership he has given us and for the mighty record of solid accomplishment which he has compiled. He is assisted by capable ministers who have the highest ideals of public service. Their records speak for themselves.

We who are here today should thank God that we can speak without fear. We have freedom of speech. We have freedom to worship as we please. We have freedom to vote. We have freedom from most of the tragedies which inflict countries where the light of freedom has long since flickered out, where liberty is but a word, and where organized terror has replaced the even rule of law and justice.

Let us be mindful of our freedoms, for freedom once lost is never wholly regained.

MR. H. LESLIE ROWNTREE (York West): Mr. Speaker, I sincerely appreciate the honour conferred upon me—and upon the constituency which entrusted me with the duty of serving its people in this assembly, as seconder of the motion for the adoption of the address of His Honour, the Lieutenant-Governor of Ontario.

It is a pleasure to be associated on this occasion with the hon. member for Port Arthur. May I express my thanks to him for his kind references to me.

May I, Mr. Speaker, at this time record my very sincere appreciation for the warm and gracious reception which has been accorded me by the hon. members of this House.

My colleague from the north has given us an impressive record of progress. In particular, he has given us a vivid and glowing picture of development in a great new land which promises a bountiful future to its people, to Ontario, and indeed to this Dominion.

I could have wished that happier circumstances could have preceded my election as a member of this House. The hon. member for Port Arthur has

already paid a gracious and deserved tribute to my predecessor, the late Elmer Brandon, Q.C. The members of this assembly knew him as an able and conscientious colleague, with the highest ideals of public service, coupled with an intimate knowledge of both provincial and municipal affairs.

It was my privilege to know him as a friend and neighbour. He was a graduate of the municipal field. He gave long service on the municipal council of Swansea, serving for 6 years as reeve. He served as warden of York county with its huge population and vast municipal problems. He was a vice-president of the Ontario Mayors' and Reeves' Association.

Throughout his all too brief life, Elmer Brandon gave of his energy and ability to every good community cause. Had he survived I am sure he would have gone very far in the public life of this province and of this nation. His death leaves a gap in our community and in the ranks of this assembly.

I am sure I echo the sentiments of every member of this House in extending our very deep sympathy to his widow and the members of the family. Their loss is a grievous one which can only be alleviated by the healing hand of time.

It is a privilege to be associated with the hon. member from Port Arthur in expressing, on behalf of this assembly, our loyalty and affection for her Majesty, Queen Elizabeth II. I do not need to enlarge on the subject of the stormy times through which the Commonwealth is now passing.

The retirement of Prime Minister Sir Anthony Eden from his high office and from the public life of Britain is a tragedy to be viewed with regret. History will bring into proper perspective his accomplishments, and the importance and magnitude of the decisions which faced him. It will likewise do justice to the devoted service he gave to Queen and country in war and in peace. Whether we agree or disagree with his policies and administration of recent

months, we can recognize the greatness of his effort and his devotion to his country. We join in wishing him a speedy restoration to health and strength.

Britain's history teaches us that the hour always produces the man. Her Majesty's new chief of state, the hon. Harold Macmillan, brings to his post strength, determination, and wealth of both political and business experience. May he succeed in steering the ship of state safely through the troubled waters of modern international affairs, and may he succeed in rebuilding the strength, the wealth, the prosperity of Britain, the traditional bulwark of freedom and democracy.

I have listened with interest and with sorrow to the remarks of the hon. member for Port Arthur respecting the recent passing of the former member for Middlesex North.

It is to me a matter of real regret that I had not had the privilege of acquaintance with the late Mr. Thomas L. Patrick. In the last day or two, however, I have heard many expressions of the esteem in which he was held in this House. He had served as Deputy Speaker and as chairman of the Committee of the Whole House. He had also served on numerous important committees. He was, I am sure, a faithful and industrious member of this assembly. His name also was well-known in the agricultural community as one of Ontario's foremost farmers and stock breeders. I am sure the hon. members of this House join with me in an expression of deep sympathy to his widow and to the members of the family.

I should like to associate myself with my colleague from Port Arthur in respect of his kind remarks directed to the hon. Prime Minister and to various members of the administration who have demonstrated their ability in various departments and who have latterly been transferred to other posts.

I know that the hon. Minister of Agriculture (Mr. W. A. Goodfellow) has rendered sterling service as Minister of Public Welfare and also as Minister

of Municipal Affairs. I am sure that he will enhance an already fine record in a department which is of vast importance to our great agricultural community. As I understand it, he entered the municipal field by way of elective office as soon as he was old enough to vote, and in one capacity or another, he has ever since continued to render public service. It is to be hoped that his example will be widely followed by the youth of this province.

Similarly, it is a pleasure to extend my good wishes to the hon. Minister of Municipal Affairs (Mr. W. K. Warrennder). I have a warm feeling for the hon. Minister, for he, like many of us, acquired his legal education through personal effort alone. In his home city of Hamilton he served a sound apprenticeship in the municipal field; he gained experience here as a private member, as Minister of Planning and Development, and again as vice-chairman of The Hydro-Electric Power Commission of Ontario. I am sure his native ability along with his broad training and experience will guarantee his success in the portfolio he now occupies.

My good wishes and congratulations also go to the hon. member for Hamilton-Wentworth (Mr. R. Connell). He also is the possessor of a sound, municipal background, having served, as has already been remarked, as councillor, deputy-reeve and finally reeve of his native township, later becoming warden of Wentworth county. His record in the field of agriculture and again in the municipal arena guarantees his success in his new career as a member of the administration and as vice-chairman of the Hydro enterprise.

I look forward with interest and with pleasure to the opportunity of enlarging my acquaintance among the members of the Ontario civil service. These are the people to whom we must bring the troubles and the requests of our constituents. A good many of our people very properly turn to their elected representatives with their problems arising within the realm of government, and it is not alone to the ministers but to the

officials and employees to whom we must turn in seeking solution.

Already I have received unvarying courtesy and expert advice and help from many of the men and women in the various departments of government. I am sure that it is the continuing aim of this government to provide them with salaries and working conditions conducive to the maintenance of the high standards of service which they render.

It is gratifying to the men and women in provincial employ, likewise to our citizens in general, to know that our civil servants have been removed from the threat of the outmoded spoils system. This is to the credit of this administration—the abolition of a vicious system, never, I am sure, to return.

I should like here to say a word about one provincial institution of which we of York West have every reason to be proud. I refer to the Ontario hospital at New Toronto where some 1,600 patients receive expert treatment and the best of care. The superintendent and his very capable staff enjoy the well-deserved reputation of operating one of the most efficient institutions of its type not only in Ontario but in all America. The beautifully kept grounds with their summer-time wealth of bloom, and the huge and productive gardens, along with the completely renovated and adequately maintained buildings, bespeak the high quality of management.

This hospital has long served the needs of northern Ontario. However, the new mental hospitals at Port Arthur and North Bay will for the future serve the northern part of the province, so that the facilities of the New Toronto hospital will be available to serve the Metropolitan area and the surrounding district.

My understanding is that the long-range campaign of renovation and rebuilding at the New Toronto hospital will shortly be completed by the construction of a new and thoroughly modern kitchen, something long needed. This facility, I am sure, is something which will be a vast improvement, both for patients and staff.

I am glad that we have the co-operation of the hon. Minister of Public Works (Mr. W. Griesinger) in getting ahead with this project. It is also gratifying to know that on the western extremity of the Ontario Hospital grounds a site has been surveyed for the construction of a new teachers' college. I presume this will be similar to the teachers' college recently opened in eastern Toronto. Coupled with the construction of similar colleges at Hamilton and at London, these projects should be of great aid in attracting and training young men and women for the teaching profession. I am sure that the hon. Minister of Education (Mr. W. J. Dunlop) and the hon. Minister of Public Works deserve our hearty commendation for these notable additions to our educational establishment.

Out at Mimico we have another long-established and perhaps not too well-known government institution, the Ontario Brick and Tile Plant, which is actually a thoroughly modern reformatory. It has for many years supplied most of the brick and the floor and wall tile used in construction of Ontario government buildings.

It is admitted that prisoners must not be kept in idleness. Reasonable occupation is an important factor working toward reform. If it does nothing else it helps inculcate the work habit to which so many inmates are strangers as they pursue their normal careers. At the Mimico institution they are usefully employed making products which are used exclusively in government construction. They also contribute to their support through farm and garden operations carried on on an extensive scale.

It is also worthy of commendation that special units are maintained for the care, treatment and reclamation of drug addicts and of alcoholics. The results are well worthwhile, and I am sure we shall await with interest the report of the hon. Minister of Reform Institutions (Mr. J. W. Foote) as to the developments and very many im-

provements which he has inaugurated at the Mimico institution and elsewhere.

I should also add that we shall look forward to the remarks of the hon. Minister as to the new maximum security reformatory, soon to be opened at Millbrook. Among the law-breaking fraternity is an element without desire, perhaps without the ability, to reform. Possibly the existence of a stern type of prison such as Millbrook will give these people pause to think, or possibly some of them will conclude that Ontario has become an undesirable place in which to continue their depredations against society.

In listening to the speech of His Honour the Lieutenant-Governor, I was greatly impressed by his remarks relating to the astonishing growth of this province. It is possible for some of us to recall the days when the population of all Canada was only 8 million or thereabouts. Today our nation consists of more than 16 million people, and more than 5 million—almost one-third—reside within our provincial borders.

During the last 15 years Ontario has added to its population a number equivalent to the present combined populations of Metropolitan Toronto and the city of Hamilton.

Our working force has expanded by more than one-third in the same period.

Ontario produces more goods and services than did the whole of Canada before World War II.

Our output of primary iron and steel, motor vehicles, electric power, and dwelling units has trebled. The output of our pulp and paper industry has more than doubled, while the growth of our mining industry, particularly as to base metals, is nothing short of spectacular.

Agriculture, with a fifth fewer farmers and a fourth smaller labour force, has increased its output by 30 per cent.

While birth rates have reached the highest level in our history, immigration adds its quota, for more than 50

per cent. of immigrants entering Canada choose to settle in Ontario.

In the last 15 years more than \$21 billion has been spent in expanding and modernizing Ontario industry. Last year saw the investment of about \$3 billion in the expansion of Ontario factories, in providing utilities, housing units, engineering projects, highways, municipal roads and other public projects.

Personal incomes of our citizens rose about 4-fold between 1939 and 1955, and consumer purchases suggest a 65 per cent. betterment in living standards since just before World War II.

Between 1945 and the present time, hydro generating capacity increased by 3.5 million horsepower.

These, and very many other factors I might mention, indicate the appeal inherent in the wealth of our resources. They demonstrate the skill, the thrift, the energy and the determination of our people. They mark Ontario as one of the world's great industrial centres. And finally, they are developments which coincide with the type of government we have in this province today.

As the hon. Prime Minister has stressed—as was pointed out in the address of His Honour the Lieutenant-Governor, the provision of facilities: schools and universities, water and sewage systems, roads, streets, highways, electric power, hospitals, reform institutions—all these facilities and others must be provided at the provincial level, at the municipal level, or at the provincial-municipal level. They must be provided for our development is halted, or strangled.

There are 3 phases related to the supplying of these vital services. First is what might be termed the natural or normal demand. Second is the backlog occasioned by World War II. Third are the demands arising from our phenomenal growth, demanding a capital investment larger than anything ever before contemplated.

Hydro, as was intimated in the address of His Honour the Lieutenant-Governor, has made capital investments in excess

of \$1.25 billion, tripling its 1946 power resources.

Motor vehicle registrations now total 1.7 million, thus adding enormously to the demand for new roads, streets and highways.

In the past 12 years the province has paid out more than \$1.25 billion in municipal grants. About half of that has been devoted to education.

The hon. member for Port Arthur (Mr. Wardrope) has spoken about the expansion of mental hospital accommodation. The same expansion is being provided as to general hospitals. Some 24,000 beds have been or are being added in this field. In short, the sums required to keep our provincial-municipal establishment up to any reasonable standard are nothing short of monumental. This fact is obvious to anyone who gives any thought to public affairs—save and except the members of the government of Canada.

It was nothing short of shocking to read in the papers a few days ago that the government of this Dominion is spending today at a rate greater than in the days of World War II. Just as shocking is the fact that about 80 cents of the Ontario tax dollar goes to Ottawa, leaving 20 cents for the province and the municipalities.

Ottawa's treasury is filled to overflowing. It has a surplus likely enough of \$300 million to \$400 million. As was remarked by His Honour, it finances both capital and ordinary expenditures out of current revenue, but it also provides debt reductions. As was stated in His Honour's address, and I quote, "Debt retirement is sound and desirable, but declining federal debt and rising provincial and municipal debt is a paradox which cannot be accepted with equanimity."

Not only this, but there is the further aggravation of raised interest rates along with credit restrictions. These latter, like the rain, fall on the just and the unjust. Ottawa practice demands curtailment of individual spending. It never occurs to Ottawa that the example should start at home.

The building trades are probably the primary victims of current Ottawa practices. Not only are the credit restrictions going to be a most serious deterrent to home building, but small builders everywhere are being forced to the wall, and with them their suppliers and other allied industries are similarly affected in a negative way. Surely some reconsideration and revision of Dominion policy in this field is elementary.

As stated in the address by His Honour, the federal-provincial fiscal arrangements, as they stand, fall far short of an equitable solution where Ontario is concerned. And please remember that about one-half of all of Ottawa's enormous revenues come from the taxpayers of this province of Ontario.

This province, let me say, is getting a very bad deal from Ottawa; it is receiving shabby treatment; it has been milked for years by an arrogant Ottawa bureaucracy, acting almost without regard for citizens resident in this province. And this, I suggest, is something the people of Ontario should remember when next they have the opportunity of passing on Ottawa's stewardship.

Considering all the tax revenues of this nation—federal, provincial and municipal—the question arises as to whether there is sufficient revenue available to meet the needs of the various governments. I suggest that there are ample revenues. The trouble lies in unfair distribution as I have already mentioned. In a word, Ottawa must be persuaded or forced to disgorge. Perhaps this is the most important single issue before the people today.

This administration in a good many years of office has tried to hold the tax line. We have avoided a provincial sales tax. Many provinces have such a tax. We have no municipal sales tax, but such a tax exists in a number of provinces. We have avoided nuisance taxes. Numerous provinces have them.

Now, as has been intimated we are being forced to locate new or increased sources of revenue—to meet our pro-

vincial obligations—and to give the added aid which is required by the municipalities. Nonetheless, it is important to remember that we are not free agents in these matters. Our tax troubles, our revenue shortages, lie squarely on Ottawa's doorstep, something to be remembered by the members of this House and by the 5 million and more people of this province.

I am sure that every member of this assembly will await with greatest interest the details of the plan for hospital care insurance which has been submitted by this administration to the government of Canada.

It will be recalled that federal proposals in this field were designed to exclude people suffering from mental illness, and also tubercular patients in sanatoria. Why there should be a line drawn between physical and mental illness, and why there should be discrimination as between the person suffering from tuberculosis and the person suffering from any other physical ailment, is something only an Ottawa bureaucrat would attempt to explain. There are some 22,000 people in the mental hospitals of Ontario, and they are just as truly disabled, temporarily or permanently, as the patients in the general hospitals. The same is true of tubercular patients. Why, therefore, the discrimination?

There are, of course, certain elementary precautions to be observed in relation to any plan of hospital care insurance. Care must be taken to prevent overloading of hospitals, with their costly buildings, equipment and staffs, with patients who can be just as well cared for in the home. We simply cannot afford to have our available hospital facilities overburdened with people who can just as well be cared for elsewhere.

Then there is the question of cost. There are certain offsets here, of course, including membership in the Blue Cross or similar plans; the grants paid, provincially and municipally for the care of indigent patients; and, of course, the regular fees paid by private patients. But even assuming that the plan is con-

tributary, there are bound to be heavy financial readjustments.

It is elementary that in connection with whatever plan is finally adopted we must avoid the creation of a cumbersome and costly bureaucracy. And we must count the costs.

For example, after World War II Great Britain rushed into a programme of wholesale socialization, some of it socialization for the sake of socializing, rather than for some more cogent reason. One of the experiments was a gigantic scheme of state medicine and hospitalization, which programme has of necessity become subject to substantial modification.

There have been very many reports that the doctors are not happy with the plan, some of the patients are objecting to lineups at the doctors' offices, and then there is the cost item.

What I should like to say is, therefore, let us cut our coat according to our cloth. The most vociferous proponents of plans for state assistance usually make no suggestion as to the source of the funds to support such plans, nor do they consider such plans in the light of their impact on taxation. These factors our governments must take under the most serious consideration, otherwise our last state may be worse than our first.

I am confident that we have a generous measure of support from our people in this matter. I am sure no subject has received more thorough and painstaking consideration at the hands of the hon. Prime Minister and his government. And I am equally sure that the plans they have submitted to the federal government will stand the light of study and examination.

We are living in an age of vast changes. Humanitarian laws protect our workers to a degree never even conceived a few decades ago. Child labour, a vicious factor of an era not so long vanished, is a thing of the past. In increasing degree the organized care of the state has been extended to those unable to care for themselves.

For many decades hospitalization has been available in this province at provincial-municipal cost for those unable to pay their own way. Now we are going farther. I have not the details, but when these are unfolded, I am sure we shall have before us a sound, workable plan of hospital care insurance which will mark a new era in this field.

Here I should like to interject a word on behalf of a certain type of child for which I suggest there is no adequate provision at this time. At Orillia and at Smiths Falls we have two institutions for the care and training of the mentally defective. For many years there has been a demand for accommodation to the point where the tendency has been to select only emergent cases for admission. The erection of another new hospital for southwestern Ontario, now in the projected stage, will ease the situation.

However, there is the peculiar case of the child scarcely in need of the care and training extended in the Ontario hospital and school as at Orillia or Smiths Falls, and yet who consistently falls behind his fellow pupils in the ordinary public school. Special classes are provided for these children in Toronto and in other large centres, but this feature is not and obviously cannot be provided on an all-over basis.

Would it not be well worthwhile to provide an in-between type of residential school to take care of the education of this type of child? It is a thought I commend for the earnest consideration of the hon. Minister of Education and the hon. Minister of Health (Mr. Phillips).

The district which I have the honour to represent, and indeed this whole Metropolitan area, has before it a fairly serious conservation problem. I refer particularly to the Humber and the Don watersheds. The lessons of Hurricane Hazel are still before us in poignant form, but flooding is only one angle of a complex problem.

The Humber and the Don in their natural state were undoubtedly streams of considerable size and of natural beauty. Their clear and unpolluted waters, teeming with fish, flowed

serenely to Lake Ontario, and flooding was controlled by the swamp areas and the forest growth on their banks. Today, what are they? They are basically small open sewers—a low water supply in summer—a flood of greater or less degree in spring and fall.

While conservation authorities cover the respective areas it is obvious that their work requires more speed than is evidenced to date. Included in the conservation areas are a number of townships which are in large degree what are loosely termed dormitory suburbs of the central Metro area. Assessment is out of balance. Very many of the home-owners are young people, struggling to meet mortgage payments and generally to get a start in life.

Now the Don and Humber valleys are factors in an area which contains one-fourth of Ontario's population. These valleys are important to industry; they will figure in our parks and green-belt system; they will be of vast importance to future generations. I think, therefore, that the conservation measures which we must have, should be financed in the main by our senior governments. Perhaps the federal and provincial contributions could be stepped up with Metro looking after the balance.

The plans here, to be effective, must be long-range plans. They must be, may I say, on the grand scale. The banks of the streams should be boulevarded. They should be turned into park land, into places of beauty, not as they are today, covered with weeds, scrub willow and underbrush.

Most of us have seen what can be done—the driveways around Ottawa—the beautiful development of the Charles River at Cambridge, a Boston suburb. The kind of development I have in mind is in evidence in scores of cities and towns, in the United States, in Britain and in Europe.

Here, I also suggest, speed is of the essence. Let us get on with this job. I am sure the hon. Minister of Planning and Development (Mr. Nickle)

will agree with me as to this subject. I am sure he will supply the planning, the technical assistance and probably a little more in the way of money for a project which will be a great monument, a real landmark, in the fine record of this administration.

Having mentioned The Department of Planning and Development, I think I cannot do less than compliment the hon. Minister on some very fine accomplishments. His department is guiding and aiding in various ways 19 conservation authorities, which include 287 municipalities and cover 12,021 square miles.

A new Planning Act aids the province and the municipalities in a field of vast importance. To give an example or two, I might mention the new town-sites at Manitouwadge and at Elliott Lake near Blind River. How much better to plan these and like mining communities in advance. Right here in Toronto I suppose it has been found necessary to tear down scores, yes, hundreds of buildings worth many millions of dollars to make way for street and other improvements. The hon. Minister of Highways (Mr. Allan) I am sure would find his difficulties much less today if highway routes could have been planned 20 or 30 years ago.

Another task, on the completion of which the hon Minister of Planning and Development deserves congratulation, is the standardization of threads on fire hose and hydrants all across Ontario. I do not need to enlarge on the benefits of this large project.

The re-opening of Ontario House in London, England, closed in one of the tantrums which seemed to mark the course of a former government, has brought scores of British industries to Ontario. It is helping to attract British immigration to Ontario, and I understand the agent-general gave a most valuable helping hand in aiding the movement of Hungarian refugees.

I think in due course we shall be interested in the statements of the hon. Minister of Planning and Development

as to the opening of branch offices in New York and also in Chicago. It seems to me that United States industry is bound to be attracted more and more to Canada, and whatever our views on the influx of American capital, I think it advantageous that we should be competently represented in these two great United States capitals of industry, commerce and finance.

On the subject of education, I shall speak most briefly. The task of providing teachers and school accommodation for the 1.1 million pupils in our schools is a monumental one, imposing grave strains on both the provincial and the municipal economy. Each year, so it appears, we shall have to provide new accommodation for another 70,000 pupils. This we can, and must accomplish.

To attract young men and women into the profession, salaries and working conditions must be maintained at attractive levels. Certainly salaries are far more realistic than they ever were before, and certainly our new school buildings are something of which we can be proud.

There are, however, areas where there are very definite limitations of finance, and I wonder whether it would not be possible to set up some sort of central financial pool under provincial auspices as an equalization fund to correct in great measure whatever anomalies may exist. The thought I leave with the hon. Minister of Education for whom all of us have a very real affection and respect.

I look forward to a report of progress looking to the establishment of junior universities. One of the gaps in our educational system has been the lack of intermediate institutions between the high schools and collegiates on the one hand and the universities on the other. The need of such institutions has been amply demonstrated by the outstanding success of the Ryerson Institute, now in a fair way to occupy new, modern and adequate quarters. Here have been trained many hundreds of young men and women who wanted more than high

school training, but who for one or another reason, could not embark on a university course.

I should like to tender to the hon. Minister of Highways my warmest congratulations while at the same time tendering my deepest sympathy. I congratulate him on the magnitude of the task being accomplished by his department. He has my sympathy in respect of the enormous demands which he faces, the pressures of his office, and the stupidity, the blindness, the "mulishness" of the federal administration in refusing to recognize that arterial highway construction has federal implications and is vital to the national expansion. As my colleague, the hon. member for Port Arthur has remarked, the federal government of the United States has devoted \$36 billion to the construction and rehabilitation of a 40,000-mile network of national, inter-state highways. Here, the federal government gives some grudging aid to the Trans-Canada, but that is the limit of their vision.

It is worthy of note that the government of the United States takes cognizance of matters of primary local concern, but yet which are vital to the development of the nation as a whole. Especially does it assist the various states in matters of highway construction and also as to education. I suggest that Ottawa might well study the American example.

I should like to congratulate the hon. Minister of Highways on progress made on the Windsor-Quebec border highway. Sections around Windsor, London, Ingersoll, Woodstock and again near Cornwall are already in use or about to be opened. The Toronto interceptor road has already proved its vast utility, while east of Toronto, highway No. 401 makes travel a pleasure. I understand that the Newcastle-Port Hope sector of this highway is shortly to come into being.

There is no doubt that the completion of the Trans-Canada will be of immense value in further developing the wealth of northern Ontario. It will certainly give marked impetus to the tourist business. I suggest that it will do much

to encourage a freer interchange of traffic, people, ideas and commerce as between Ontario and western Canada.

The Burlington Skyway, one of the great engineering works of the continent, will be open next year, thus eliminating Canada's worst traffic bottleneck.

The next bottleneck to tackle is the crossing of the Welland Canal by the Queen Elizabeth Way at St. Catharines. The canal, be it noted, was built by the federal administration. I suggest, therefore, that as it is a federal project which makes necessary this costly crossing, the federal government should pay the cost of rectifying a serious bottleneck of their own creation. I think the people will go along with us on the justice of this contention.

There have been many complimentary comments about revised procedures in highways administration, and I think they are well deserved. The public opening of tenders along with the adoption of strict but entirely justifiable regulations as to how such tenders must be prepared is something with which there will be little quarrel.

Pre-engineering on a scale never before attempted is made possible by revised procedures and by substantial staff additions. I hope that our proposed increased scale of aid to our universities will vastly increase our supply of technically trained men and women. And I hope we can keep more of them in this country.

Here, I would suggest the introduction of more elasticity into our governmental salary schedules so that our essential services shall not suffer from the inroads of industry and of other countries where technical help is concerned.

The civil service, of course, has many desirable aspects for the man or woman looking for a permanent, planned career, including security of tenure, good working conditions, ample holidays, cumulative sick leave, and so on. Yet the pay envelope, or rather the size of its contents, is a factor so many feel they cannot afford to ignore.

I must particularly congratulate the hon. Minister of Highways and the hon. Attorney-General (Mr. A. K. Roberts) on their unsparring efforts to promote the cause of traffic safety on the highways. It is a tragic matter when more than 1,000 people are killed yearly on Ontario highways, scores of thousands injured, and \$25 million to \$30 million in property damage caused.

Obviously we have not and cannot employ enough police to detect every traffic violation. Traffic safety boils down, to a large extent, to a matter of good manners, plus proper mechanical condition of the vehicle, plus safe and adequate highways.

In the colder winter weather I am constantly shaken by those operators who insist on driving with the car windows all closed and frosted or steamed over. Under those driving conditions they are a threat and a danger to every other person using the highway.

Not so many years ago all roads and highways were some 20 to 21 feet wide, and that situation provided for one line of traffic in each direction. Today our modern through highways, and indeed the arterial and through streets in our urban areas, provide for several lanes of traffic in one direction, and I respectfully submit to the hon. Attorney-General and the hon. Minister of Highways that the programme of education as part of the traffic safety campaign be not only continued, but extended to include instruction of drivers as to the duties and requirements of driving in what I call lane-traffic.

The two departments immediately concerned are carrying on an intense campaign by radio, television, through the press, with the co-operation of the police and with the added co-operation of many local safety committees. There is a tremendous amount of voluntary co-operation in this campaign—and what we need more than anything else is the same voluntary co-operation from the man behind the wheel.

Here, I wonder if we could not in reasonable degree follow the example of British Columbia in requiring vehicle

inspection every 6 months at the hands of a qualified mechanic. This, it seems to me, would go a long way toward eliminating certain chronic causes of accidents. Defective brakes, defective steering, worn-out tires, horn and windshield wiper not working, cracked windshields—all are factors which contribute to accidents.

Certainly the revised procedure requiring a stiff examination for applicants for drivers' licences is a commendable forward step. Should not this procedure be made province-wide as quickly as possible, and perhaps should not re-examination at regular intervals be added?

In some jurisdictions the point system for drivers is in use. It is worthy of study. However, in actual practice we already have it in use in Ontario. Repeated offences can and do result in the suspension or cancellation of licences.

Should such a system be adopted—I believe they have it in Manitoba—it must be applied with discretion. The taxi driver, for example, drives 50,000 to 100,000 miles a year. A good many private citizens do not drive more than 8,000 to 10,000 miles per year and under less trying conditions than the taxi driver. Obviously, it would be unfair to have all classes of driver start with the same number of points. However, I have no doubt matters of this nature will be the subject of earnest discussion in this House.

A measure which I think has justified its existence is the establishment of the Unsatisfied Judgment Fund. It gives a measure of relief and protection long needed. It is, of course, difficult for me to understand why anyone in his right mind would operate a motor vehicle without protecting himself—and his potential victims—by carrying insurance. However, some such folks we have among us.

I am not going into the subject of compulsory insurance nor of state insurance at this time. They are highly debatable subjects and the latter implies the establishment of another big bureau-

crazy, something we should like to avoid. I shall content myself at this time with saying I think the modification in the terms of the Unsatisfied Judgment Fund legislation, permitting instalment payments along with restoration of licence, is a commendable step.

There have been cases involving no element of moral turpitude where a driver became obligated to the fund, and found himself barred from the road and essentially barred from making a living. Some of these people have had their licences restored; they are paying off their indebtedness by instalments; and I suggest that herein there has been no impairment of the public good.

In the educational campaigns which are going forward as to traffic safety, I think it would not be improper to stress the financial implications which surround a serious traffic accident. I think these educational campaigns could well stress the desirability of carrying proper insurance and perhaps the insurance companies themselves could bear down a bit more heavily in this direction. There are all the time, coming up, examples of people being brought to ruin by failure to protect themselves against the consequences of their own acts, and this should be enough to motivate them, to say nothing of concern for the physical and financial fate of their innocent victims.

The ultimate answer lies here, as in all spheres of human activity, in the inculcation of the principles of good citizenship. Law enforcement is and must remain an important factor, but education in basic principles of conduct as well as in the mechanics of operating a motor vehicle must be a continuing and major factor.

For three years we have been able to observe the functioning of Metropolitan Toronto. In very large degree, 13 municipalities comprising one-fourth of Ontario's population have been welded into one unit in numerous and important respects. It took courage, enterprise and vision on the part of the hon. Prime Minister and his administration to launch Bill No. 80 in

this assembly. This was no snap decision. The whole situation was subject to prolonged and indeed expert investigation, and I believe the results have fully justified the measures which then were taken.

Annexation of adjoining municipalities over an extended period might have mitigated the great, may I say wholesale problems which have since ensued. It must be remembered that two world wars interrupted the normal course of events here and elsewhere. Everything except the sternest necessities had to be put aside until the struggles for freedom had been brought to a conclusion.

We saw an anti-annexation spirit arise in the city of Toronto. We saw municipalities go into what amounted to bankruptcy, their affairs being passed under provincial supervision. And we saw an unexampled, and too often unplanned suburban growth. We saw assessments in many municipalities get hopelessly out of balance. Metro is the first big step in halting a situation which simply had to be halted to prevent total chaos in one of Canada's most important single areas.

In Toronto alone, since 1945, 500,000 people have migrated to the suburbs. They brought serious problems to these suburbs and many of them will be problems for a long time. Among these are education, water supply, sewage disposal, and more especially transportation. Ultimately, Toronto applied for outright amalgamation, evoking violent local opposition.

What has been accomplished is a logical process of evolution. The Metro government is supplying services which are metropolitan in nature; the constituent municipalities are continuing to supply what are essentially local services.

The magnitude of Metro's problems is indicated by a statement of Metro chairman Mr. Gardner, that Metro's revised 10-year programme requires \$750 million with a reserve list of works totalling \$250 million, altogether a capital outlay of \$1 billion within the foreseeable future.

The chairman further remarked, quite properly, that the Dominion government siphons off most of our income—the cities and the provinces battle endlessly over millions of dollars—while the federal tax-collector runs off with billions.

In a field of accomplishment Metro is well on its way to doubling the capacity of its water pumping plants and trunk mains. In the readily foreseeable future, all the Metro area will have a wholly adequate water supply.

The same remarks apply as to sewage disposal facilities.

Here, the situation is particularly applicable to Scarborough, North York and Etobicoke with their rapidly increasing populations, coupled with unbalanced assessments. Scarborough has a population of at least 125,000, North York over 150,000, and Etobicoke over 100,000. Metro can meet and is meeting the problems of these townships, something they could not accomplish alone.

Arterial highways are being built or projected: the Lakeshore Expressway, the Don Valley Parkway, a northwest artery, and the \$10 million Eglinton crosstown highway. They are vitally needed as any motorist can tell you.

As of January 1, 1957, the various police forces were amalgamated. They are under a common command; they are under one commission; the working conditions of the police officers are by no means impaired, and certainly there will be an easier job with more efficiency on the part of our guardians of law and order.

It is, I think, commendable that licencing is now under an independent commission for the whole area.

Again, it is inevitable but that the fire departments will shortly be amalgamated.

The opening of the new aged persons' home at Newmarket in July last provides a much-needed facility. Lambert Lodge carries on a great and humane work, and the projected third home for aged people will give this area a unique position in the job of caring for

aged citizens who require institutional care.

I might mention also the new juvenile courts building on Jarvis St., housing units for elderly persons in Etobicoke—188 self-contained units—the projected Metro court house, the green belt system, the James Gardens and the Edwards Gardens. A big addition, with provincial aid assisting the project, is being made at the Don jail. I could extend this list at considerable length. I merely content myself with saying that it constitutes an admirable record of accomplishment.

There will be no quarrel with the announced proposal to appoint a special committee to report on Metro's progress and to recommend changes in legislation and administration.

When this committee reports, we shall be able to deal more intelligently with the proposals as to complete amalgamation. There is some sentiment to the effect that we are maintaining an added level of government which in these days of heavy taxation we can ill afford. There is some feeling that the 13 local governments should indefinitely continue to function. There is pride in the community aspect, in historic local institutions, and so on.

I am satisfied that the work of the committee I have mentioned will go a long way toward answering the questions related to future procedure in the whole Metro area. It is a big, a daring experiment, but the results, I think, speak for themselves.

I think it inevitable that a new system of electing Metro council must be evolved. The question of reasonable representation by population is a live issue in all the lesser municipalities. I am sure there can be found some fairly easy solution to this presently vexing problem. Possibly a ward system applied to the whole area, with members elected directly by the people, would be an obvious solution. We shall see what the committee has to say on the subject.

In the long and enviable record of the accomplishments of this government, our hydro development is nothing short

of outstanding. Hydro's capacity was placed at about 1,937,500 kilowatts at the end of 1945. By the end of 1955, it had reached 4,530,500 kilowatts, with another 2 million capacity authorized and on the way.

The St. Lawrence development is a tremendous landmark. Selfish interests, most of them in the United States, lethargy at Ottawa, vicious opposition on the part of a former government in this province, all these obstacles and many others had to be overcome. And they were overcome. The impact of this development along with the deep waterway will work an industrial and commercial revolution in this province and this Dominion.

The changeover to 60-cycle current required courage and vision. As of July 1, 1956, the change-over had been accomplished in 689,286 domestic, commercial and power establishments. It had involved alteration or exchange of 4,425,682 frequency-sensitive items of equipment, truly a mammoth undertaking.

At Niagara Falls the redevelopment programme is one of the great engineering projects of the century. Coupled with this is a project in which the United States is a partner, whereby the beauty of the falls will be assured for this and other generations.

In a dozen years Hydro has installed 23,000 miles of new rural line to serve 282,000 new customers dwelling on farms or in hamlets. This means that hydro light and power is now available to well over a million of our rural people, hitherto without this utility. As to rural line construction, the Ontario treasury in the same dozen years has paid out \$79 million in bonuses.

The highways programme, as the hon. Minister of Highways has remarked, is limited only by the men, money and materials available.

The Department of Public Works is carrying on a programme which represents an all-time high. I should mention the new treasury building; the new legal building adjacent to Osgoode Hall; the

new Workmen's Compensation building, something long needed.

Also, I should like to compliment the hon. Minister of Public Works on getting ahead with a new medical and surgical building to round out the plant at the Ontario Veterinary College.

May I add a word to the comment of the hon. member for Port Arthur respecting the construction of homes and detachment buildings for the Ontario Provincial Police. The members of this fine force must be transferred from time to time in the interests of promotion or otherwise, and it is only fitting that the administration should look to their reasonable comfort and convenience.

Our treasury remains in a healthy condition, notwithstanding the parsimony, the greed, the extravagance, and finally the credit restrictions of Ottawa.

The hon. Attorney-General is sparing no effort to increase the efficiency of procedures related to the administration of justice. The general renovation of courtrooms, the use of suitable gowns for magistrates, the tightening of bail procedure—all these and other items are reforms which are to the credit of his administration. The reduction of the number of jurors in civil cases, which admittedly caused some protest, seems to be working well enough and means some saving of public funds.

The hon. Minister of Travel and Publicity (Mr. B. L. Cathcart) is sparing no effort to increase our impressive tourist trade. His work in encouraging the proper marking of historic sites is something which commends itself to all of us.

The hon. Minister of Public Welfare (Mr. L. P. Cecile) is carrying out the efficient and humane procedures established by his predecessor. His administration commends itself to our generous and humane people who endorse the policies of rendering adequate assistance to those who need state assistance. It was good to know that legislation will be forthcoming to broaden the base in relation to mothers' allowances.

The hon. Minister of Labour (Mr. C. Daley) brings his well-trying courtesy, kindness and ability to the solution of the many problems before his important department. I am sure that the new rehabilitation centre for injured workmen will be a most noteworthy monument to his broad humanity and vigorous administration.

We shall hear of the great and enduring, and I may add, healthy development of this province as this session proceeds. We have almost every resource that one could desire. We have a strong, vigorous, skilled and industrious people. Our one great misfortune is the type of administration we have at the capital of this nation.

It is some 90 years ago that the fathers of Confederation sat down to evolve a federal system. Governments, as has been said, are organizations to enable the people to do collectively what they cannot accomplish as individuals. The federal system was to enable the provinces to accomplish, collectively, what they could not accomplish individually.

Confederation never contemplated a central bureaucracy to absorb 80 cents out of every Canadian tax dollar. Confederation never contemplated playing one province against another as the government at Ottawa is doing today. Confederation never contemplated the strangling of provinces and municipalities to the point where they cannot keep abreast of the demand, the need, for domestic services.

Confederation was the creature of the provinces, designed to be the servant, not the master of the provinces. And it was designed to be likewise the servant, not the master of the people. How far indeed, have they departed from observation of these simple basic principles! There is even defiance of Parliament itself!

The provinces united to form Confederation. It may well be that they will again have to meet to formulate a new declaration of their rights and privileges and to topple the bureaucratic

structure which threatens the well-being of this nation.

We of this province and of this Dominion are not happy in being forced into submission as a satellite of the United States. Our place is as a strong, independent unit in the Commonwealth of Nations. Vassalage seems to be a fixed policy with the government of this Dominion: Canada a vassal, a satellite of the United States; the provinces, vassals—poor relations—of a central dictatorship. I suggest that it is time for this House and the other Legislatures in this Dominion to declare in a united voice for their rights, their privileges, their autonomy, so that they may play their proper parts in a strong and united nation.

Mr. Speaker, I wish to second the motion to adopt the Speech from the Throne, moved by the hon. member from Port Arthur.

Mr. F. R. Oliver moved the adjournment of the debate.

Motion agreed to.

HON. L. M. FROST (Prime Minister): Mr. Speaker, in moving the adjournment of the House, may I say that tomorrow the House will proceed with the report of the striking committee.

It is not the intention to proceed with any bills tomorrow. I do not know whether the bills are printed as yet.

On Monday I would like to proceed with the report of the hon. member for

Bellwoods (Mr. J. Yaremko) on his Hungarian visit and the situation as he found it. I think that raises two points before this House.

One, of course, is the effect on our own situation in Ontario about which I think there is perhaps a good deal of misunderstanding on the part of our people.

I think the second one, of course, goes away outside the sphere of this House in many ways; in other ways, it does not. That is the nature of the obligation of our people in this province and elsewhere to support our country in its obligations to the United Nations.

I think these are matters of great importance. I think our people have to realize that if we are going to make the United Nations effective, we have to make effective the efforts for peace in this world which are possible through the United Nations.

So I think that on Monday, which is obviously going to be a day on which we are faced with much the same situation as we are during the organization period of this House, that matter might be considered, the hon. member for Bellwoods might give his report, and if there are comments from hon. members they might be freely given at that time, somewhat as we did on Tuesday last.

I move the adjournment of the House.

Motion agreed to.

The House adjourned at 5.30 of the clock, p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Friday, February 1, 1957

THE QUEEN'S PRINTER
TORONTO
1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

FRIDAY, FEBRUARY 1, 1957.

2 O'CLOCK P.M.

COMMITTEE ON AGRICULTURE

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

The following petitions were presented and laid on the table:

By Mr. W. J. Stewart, the petition of the Corporation of the Township of Howe Island.

By Mr. A. C. Jolley, the petition of the Corporation of the Township of Grantham.

By Mr. G. C. Wardrope, the petition of the Corporation of the Municipality of Neebing.

Reading and receiving petitions.

Presenting reports by committees.

MR. A. A. MACKENZIE (York North): Mr. Speaker, I beg leave to present the report of the select committee appointed to prepare lists of the members to compose the standing committees ordered by the House and move its adoption.

CLERK OF THE HOUSE: Mr. Mackenzie from the select committee appointed to prepare the lists of members to compose the standing committees of the House, presented the committee's report which was read, as follows, and adopted:

Your committee recommends that the standing committees ordered by the House be composed as follows:

Messrs. Allen (Middlesex South), Auld, Belisle, Boyer, Cass, Child, Duncett, Dymond, Edwards, Fullerton, Hall, Hanna, Herbert, Hunt, Innes, Janes, Johnston (Simcoe Centre), Johnston (Carleton), Kennedy, Lavergne, Letherby, MacDonald, Mackenzie, Manley, Morningstar, Murdoch, Myers, Nixon, Oliver, Parry, Pryde, Rankin, Robson, Root, Scott, Spence, Sutton, Thomas (Elgin), Villeneuve, Wardrope, Whicher, Whitney—42.

The quorum of the said committee to consist of 7 members.

COMMITTEE ON CONSERVATION

Messrs. Cass, Cowling, Elliott, Gisborn, Hall, Hunt, Innes, Jackson, Janes, Johnston (Carleton), Kennedy, Letherby, Lewis, Mackenzie, Manley, Monaghan, Murdoch, Myers, Pryde, Root, Rowntree, Sandercock, Spence, Stewart, Sutton, Thomas (Elgin), Villeneuve, Wardrope—28.

The quorum of the said committee to consist of 5 members.

COMMITTEE ON EDUCATION

Messrs. Auld, Beckett, Boyer, Cass, Chaput, Child, Cowling, Davies, Dymond, Edwards, Fishleigh, Graham, Hunt, Jackson, Innes, Janes, Johnston (Simcoe Centre), Johnston (Carleton), Jolley, Kerr, Lavergne, Letherby, MacDonald, Maloney, Monaghan, Morin, Morrow, Murdoch, Myers,

Parry, Price, Pryde, Rankin, Reaume, Robson, Root, Spooner, Villeneuve, Wardrope, Whicher, Wintermeyer, Worton, Wren, Yaremko—44.

The quorum of the said committee to consist of 7 members.

COMMITTEE ON GAME AND FISH

Messrs. Allen (Middlesex South), Boyer, Cass, Chaput, Child, Cowling, Doucett, Dymond, Elliott, Fullerton, Gisborn, Gordon, Hall, Herbert, Innes, Jackson, Johnston (Parry Sound), Johnston (Simcoe Centre), Johnston (Carleton), Jolley, Kerr, Lavergne, Letherby, Lewis, Lyons, Mackenzie, Maloney, Manley, Morningstar, Morrow, Murdoch, Myers, Nixon, Noden, Pryde, Rankin, Robson, Root, Sandercock, Scott, Spence, Spooner, Sutton, Thomas (Elgin), Thomas (Oshawa), Villeneuve, Wardrope, Whicher, Whitney, Wren—50.

The quorum of the said committee to consist of 7 members.

COMMITTEE ON GOVERNMENT COMMISSIONS

Messrs. Child, Cowling, Doucett, Fishleigh, Frost (Bracondale), Grossman, Hall, Jackson, Janes, Johnston (Carleton), Kerr, Macaulay, MacDonald, Murdoch, Nixon, Oliver, Price, Pryde, Reaume, Robarts, Robson, Rowntree, Sandercock, Spooner, Sutton, Thomas (Elgin), Villeneuve, Whicher, Whitney, Wintermeyer, Yaremko—31.

The quorum of the said committee to consist of 5 members.

COMMITTEE ON HEALTH

Messrs. Auld, Boyer, Cass, Child, Cowling, Dymond, Edwards, Elliott, Fishleigh, Frost (Bracondale), Fullerton, Graham, Grossman, Hanna, Hunt, Johnston (Parry Sound), Johnston (Simcoe Centre), Johnston (Carleton), Jolley, Kerr, Lewis, MacDonald, Mackenzie, Maloney, Monaghan, Morin,

Morningstar, Morrow, Murdoch, Oliver, Parry, Price, Pryde, Reaume, Robson, Root, Rowntree, Stewart, Sutton, Thomas (Elgin), Thomas (Oshawa), Villeneuve, Wardrope, Whicher, Wintermeyer, Worton, Yaremko—47.

The quorum of the said committee to consist of 7 members.

COMMITTEE ON LABOUR

Messrs. Belisle, Child, Collings, Elliott, Fishleigh, Gisborn, Grossman, Herbert, Jackson, Jolley, Lavergne, Lewis, Monaghan, Morningstar, Murdoch, Noden, Pryde, Reaume, Robarts, Wardrope, Wintermeyer, Worton, Yaremko—23.

The quorum of the said committee to consist of 5 members.

COMMITTEE ON LANDS AND FORESTS

Messrs. Allen (Middlesex South), Belisle, Boyer, Chaput, Doucett, Elliott, Frost (Bracondale), Fullerton, Gordon, Graham, Herbert, Hunt, Innes, Jackson, Johnston (Parry Sound), Johnston (Simcoe Centre), Lavergne, Letherby, Lyons, MacDonald, Mackenzie, Maloney, Monaghan, Morrow, Murdoch, Myers, Noden, Oliver, Price, Pryde, Robson, Sandercock, Scott, Spence, Spooner, Sutton, Villeneuve, Wardrope, Worton, Wren—40.

The quorum of the said committee to consist of 7 members.

COMMITTEE ON LEGAL BILLS

Messrs. Beckett, Cass, Hall, Herbert, Hunt, Macaulay, MacDonald, Maloney, Myers, Nixon, Noden, Parry, Price, Pryde, Rankin, Robarts, Root, Rowntree, Spooner, Thomas (Oshawa), Wardrope, Wintermeyer, Worton, Yaremko—24.

The quorum of the said committee to consist of 5 members.

COMMITTEE ON MINING

Messrs. Beckett, Belisle, Cass, Elliott, Fishleigh, Fullerton, Gisborn, Gordon, Hanna, Herbert, Hunt, Janes, Johnston (Parry Sound), Jolley, Lavergne, Lyons, MacDonald, Mackenzie, Manley, Monaghan, Morin, Morrow, Murdoch, Nixon, Noden, Price, Pryde, Robson, Rowntree, Sandercock, Spooner, Sutton, Wardrope, Worton, Wren—35.

The quorum of the said committee to consist of 5 members.

COMMITTEE ON
MUNICIPAL LAW

Messrs. Allen (Middlesex South), Auld, Beckett, Boyer, Cass, Child, Collings, Cowling, Doucett, Dymond, Edwards, Graham, Grossman, Hunt, Jackson, Janes, Johnston (Carleton), Kennedy, Lavergne, Lewis, Macaulay, Maloney, Manley, Monaghan, Morin, Murdoch, Myers, Pryde, Rankin, Reaume, Robarts, Robson, Root, Rowntree, Scott, Spence, Spooner, Stewart, Sutton, Thomas (Oshawa), Villeneuve, Whicher, Whitney, Wintermeyer, Worton, Yaremko—46.

The quorum of the said committee to consist of 7 members.

COMMITTEE ON PRINTING

Messrs. Allen (Middlesex South), Boyer, Davies, Frost (Bracondale), Fullerton, Gisborn, Gordon, Grossman, Hunt, Johnston (Simcoe Centre), Manley, Morin, Murdoch, Parry, Pryde, Sutton—16.

The quorum of the said committee to consist of 5 members.

COMMITTEE ON PRIVATE
BILLS

Messrs. Allen (Middlesex South), Auld, Beckett, Child, Chaput, Collings, Cowling, Doucett, Edwards, Elliott, Fishleigh, Gordon, Graham, Grossman, Hall, Hanna, Innes, Jackson, Janes, Johnston (Simcoe Centre), Jolley, Ken-

nedy, Lyons, Lavergne, Macaulay, Mackenzie, Maloney, Monaghan, Morin, Morningstar, Morrow, Murdoch, Myers, Nixon, Parry, Price, Pryde, Rankin, Reaume, Robarts, Root, Rowntree, Sandercock, Scott, Spooner, Stewart, Thomas (Elgin), Thomas (Oshawa), Villeneuve, Wardrope, Whitney, Wintermeyer, Wren, Yaremko—54.

The quorum of the said committee to consist of 7 members.

COMMITTEE ON PRIVILEGES
AND ELECTIONS

Messrs. Cass, Davies, Edwards, Grossman, Kerr, Lavergne, Murdoch, Nixon, Oliver, Pryde, Robson, Stewart, Thomas (Oshawa)—13.

The quorum of the said committee to consist of 5 members.

COMMITTEE ON PUBLIC
ACCOUNTS

Messrs. Auld, Beckett, Cass, Collings, Cowling, Davies, Doucett, Dymond, Edwards, Elliott, Fishleigh, Frost (Bracondale), Graham, Grossman, Hall, Hanna, Janes, Johnston (Parry Sound), Kerr, Lavergne, Letherby, Lyons, Macaulay, MacDonald, Maloney, Monaghan, Morrow, Murdoch, Myers, Nixon, Noden, Oliver, Parry, Pryde, Robarts, Root, Sandercock, Stewart, Scott, Sutton, Thomas (Oshawa), Villeneuve, Wardrope, Whicher, Whitney, Wintermeyer, Worton, Yaremko—48.

The quorum of the said committee to consist of 7 members.

COMMITTEE ON STANDING
ORDERS

Messrs. Allen (Middlesex South), Auld, Belisle, Cass, Child, Davies, Edwards, Elliott, Fishleigh, Frost (Bracondale), Fullerton, Gisborn, Gordon, Graham, Hall, Hanna, Hunt, Kerr, Lyons, MacDonald, Manley, Murdoch, Pryde, Rankin, Robson, Worton—26.

The quorum of the said committee to consist of 5 members.

COMMITTEE ON TRAVEL AND PUBLICITY

Messrs. Auld, Beckett, Belisle, Boyer, Chaput, Child, Cowling, Dymond, Edwards, Elliott, Fishleigh, Frost (Bracondale), Fullerton, Grossman, Hanna, Johnston (Parry Sound), Jolley, Letherby, Lewis, Lyons, Mackenzie, Morin, Murdoch, Noden, Pryde, Reaume, Root, Stewart, Thomas (Oshawa), Wardrope, Whitney, Wor-ton, Wren—33.

The quorum of the said committee to consist of 5 members.

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of bills.

THE FARM PRODUCTS AND MARKETING ACT

Mr. D. C. MacDonald moves first reading of bill intituled, "An Act to amend The Farm Products and Marketing Act."

Motion agreed to; first reading of the bill.

THE LABOUR RELATIONS ACT

Mr. MacDonald moves first reading of bill intituled, "An Act to amend The Labour Relations Act."

Motion agreed to; first reading of the bill.

THE DEPARTMENT OF HIGHWAYS ACT

Hon. J. N. Allan moves first reading of bill intituled, "The Department of Highways Act, 1957."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this is part of the plan in re-writing The Highway Improvement Act, this Act is the one

which establishes The Department of Highways. In our re-writing of The Highway Improvement Act, it is our intention to leave this bill out of The Highway Improvement Act, where it presently is, and have it as a separate Act.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. The 17th annual report of the Niagara Parks Commission for the fiscal year ended October 31, 1956.

2. Copies of orders-in-council numbered 703, 1956 and 110, 1957 under The Northern Development Act.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I want to ask the hon. Provincial Treasurer (Mr. Porter) if the government is prepared to table the correspondence that has passed between the federal government and the provincial government in relation to hospital insurance? Is the government prepared to lay that correspondence on the table?

HON. MR. PORTER: Mr. Speaker, I am not prepared to answer that question today, as it is in the hands of the hon. Prime Minister (Mr. L. M. Frost). If the hon. Leader of the Opposition would ask the question on Monday, no doubt he will receive an adequate answer.

MR. OLIVER: You do not know at the present time?

HON. MR. PORTER: No, I could not say.

MR. ALLAN GROSSMAN (St. Andrew): Mr. Speaker, before the orders of the day, I would like the privilege of drawing to the attention of the House a matter which I think is of great public importance. I have reference to an article which appeared in this morning's *Globe and Mail* headed by the statement:

OPPOSE MOSCOW RULE — PARTY TO
SUPPLANT LPP IS SOUGHT BY
SALSBERG

To quote from this article, Mr. Speaker:

In language which would have been branded as heretical only a short time ago, Communist Joseph Salsberg is calling for an end to the Labour Progressive Party and the creation of a new Canadian Socialist Party to attract the working classes.

The cleavage between the rebel, anti-Soviet wing of the LPP, and the party's executive headed by Tim Buck, is portrayed in the current issue of *National Affairs Monthly* where a Salsberg article flays his own party and urges its dissolution. *National Affairs Monthly* is the organ of the LPP.

Mr. Speaker, I am only quoting excerpts from this article.

In his article, captioned "For a Socialist Realignment in Canada," Salsberg hits at the LPP and "its long history of subservience . . . its dogmatism, its sectarianism, its isolation from the masses and the distrust with which it is regarded. . . ."

Because of these weaknesses and failings, the LPP cannot be transformed into "a party that will creatively apply all that is valid in the body of scientific socialist knowledge to Canadian conditions and chart our own Canadian path to socialism."

The article speaks of the LPP's "deep isolation from the main body of labour, the farmers and progressive, forward-looking people at large."

Incidentally, Mr. Speaker, what an insult this is to the many people who voted for these fellows in the past. They are now being told that the men they voted for represented reactionary views, that they did not represent progressive, forward-looking people. He goes on to say:

"When any one of us mentions that inescapable fact that the Labour

Progressive Party is considered by large sections of Canadian people as a party that is subservient to the Soviet Union, or, as some call us, a Russian party, he is immediately shouted down as a defeatist, a repeater of slanders and as an inverted Red-baiter," Salsberg asserts in his article.

Mr. Speaker, that is precisely what he and his cohorts called me when I referred to them as a Russian party, they called me a Red-baiter, now in effect they state that I was right, that they were in effect and are in effect a Russian party, and it was wrong to call me a "Red-baiter," when I referred to them as such.

Now, my reason for raising this matter, Mr. Speaker, is because I had a choice of either ignoring the matter completely and thereby not giving any further publicity to their propaganda or warning our people of the dangers inherent in them being taken in again by typical Communist tactics.

I publicly warned about 3 months ago that this would probably be their next move. It should not really be necessary to warn any of our people due to the history of the mental gymnastics of these people. For example, calling the last war at the start a "just war" and then when the Hitler-Stalin pact was signed calling it an "imperialist war", and after the Hitler attack on Russia it became again a "just war", and, of course, hon. members of this House well know how Stalin was considered by them to be the "angel of peace", and then latterly Stalin was a "devil of cruelty and murder."

These gyrations are their stock-in-trade, but in spite of that many people are constantly being taken in by these tactics.

The Reds were ostracized in the early part of the last war during the Stalin-Hitler pact, but after Hitler's attack on Russia, they became at least semi-respectable. During that period, they infiltrated every facet of our community, they became leaders and executive members of various organizations

and various clubs, particularly those relative to welfare and other such organizations. They did a great deal of damage and they were very difficult to get rid of. Some organizations, including some labour unions, were so disrupted by these people that they have never recovered.

We now have a similar situation, an attempt is being made to become acceptable again. They have already made overtures of which I have personal knowledge, to various organizations through some of their Communist fronts. Certain people are ripe for this sort of thing, as some people feel that consorting with various shades of red proves they have a "social conscience." Others consider such associations fashionable.

I would like to warn the public, Mr. Speaker—and here is the point—that there is no difference in this latest term even if this current turnabout is considered by some people to be sincere, but the word "sincerity" has a different meaning to a Communist than to any other person. A Communist can quite "sincerely" rationalize an about-face tomorrow, he rationalizes this with his dialectical materialism which by his process of thinking can mean anything he wants it to mean.

For example, if tomorrow there were a change of leadership in the Kremlin and the orders were that international Communism will best be served by "national Communism", they would not at all concern themselves with the obvious contradiction in such a directive.

To them it would have meaning and force even though it may sound ridiculous to the rest of the population.

In any case, Mr. Speaker, the public should be made aware that there is no such thing as national Communism, that the words "national Communism" are themselves mutually contradictory. As the founder of Communism, Karl Marx, the god of the Communists, has ruled and ordained thus: Inherent in the very theory of Communism is the precept that it must be international to be successful.

Therefore, I plead with the good citizens of this province, of this nation, not be fooled again. I plead with them to have no truck or trade with Communists whether they be pink, dark red, bright red, or a converted red, as they will work their way into the woodwork again, and do their best to destroy the whole structure of our society.

Orders of the day.

HON. MR. PORTER: Mr. Speaker, before moving adjournment of the House, I would remind you that on Monday we shall have the statement that is to be made by the hon. member for Bellwoods (Mr. Yaremko) as to the question of Hungarian relief, and any other business that there may be on the order paper.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 2.35 of the clock, p.m.



ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, February 4, 1957

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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

MONDAY, FEBRUARY 4, 1957.

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

The following petitions were presented and laid on the table:

By Mr. G. Monaghan, the petition of the Corporation of Sacred Heart College of Sudbury.

By Mr. C. Lyons, the petition of the City of Sault Ste. Marie.

Reading and receiving petitions.

CLERK OF THE HOUSE: The following petitions were read and received:

Of the Corporation of the Township of Howe Island praying that an Act may pass excluding the said township from the Frontenac high school district.

Of the corporation of the Township of Grantham praying that an Act may pass ratifying by-laws for sewer construction.

Of the Corporation of the Municipality of Neening praying that an Act may pass providing for separate estimates and rates for each ward in the municipality and for the validation of tax sales held prior to January 1, 1956.

MR. SPEAKER: Motions.

THE SANDWICH, WINDSOR AND AMHERSTBURG RAILWAY ACT

Hon. W. Griesinger moves first reading of bill intituled, "An Act to amend

The Sandwich, Windsor and Amherstburg Railway Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this amendment is to validate certain agreements which the railway has already made with some of their employees, and also to make additional financial arrangements subject to the approval of the Ontario Municipal Board.

THE HIGHWAY IMPROVEMENT ACT

Hon. J. N. Allan moves first reading of bill intituled, "The Highway Improvement Act, 1957."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this is the re-writing of the present Highway Improvement Act. It is a very lengthy document, there are very few changes in the meaning of the Act. I think it has been edited and it is hoped that the meaning has been clarified. It has been divided into sections; Part I, the King's highways; Part II, the controlled-access highways; Part III, secondary highways; Part IV, county roads; Part V, suburban roads, and so on. After the bill has been printed and the hon. members have had an opportunity to look at it, I can then give a further explanation.

MR. SPEAKER: Orders of the day.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I beg leave to table the correspondence between

the Rt. hon. Mr. St. Laurent, Prime Minister of Canada, and myself relevant to hospital insurance. I propose to give copies to every hon. member of the House and also to the members of the press gallery in order that there may be a ready reference to this correspondence.

Following the federal - provincial conferences in April and October, 1955, and the special meeting of the Ministers on health insurance in Ottawa in January, 1956, the following action was taken, which I think will place this correspondence in its proper sequence:

1. The subject of hospital care insurance was submitted to the Standing Committee on Health of the Ontario Legislature for study and consideration, March 14 to 27, 1956.

2. By an Act given third reading in March, 1956, the government of Ontario established the Hospital Services Commission of Ontario.

3. On May 10, 1956, the government of Ontario announced the appointment of the members of the Ontario Hospital Services Commission.

4. On November 2, 1956, a meeting was held in Toronto between the hon. Prime Minister of Ontario with other Ministers and officials concerned, and Dr. G. D. W. Cameron, Deputy Minister of National Health, and Dr. George Davidson, Deputy Minister of Welfare, of The Department of National Health and Welfare, Ottawa. The hon. Paul Martin was to attend this meeting but was unable to be present. A full explanation of Ontario's proposal was given to the federal officials at this meeting.

I now table 3 copies of the agenda which was used at that meeting. I have not included the agenda nor a subsequent document for the reason that the terms of this memorandum, to which I shall refer in a moment, are substantially the same as the last 5 pages of the brief which was submitted in the form of the white paper to the House

on January 29th. It seems to me that to include these would, for persons who did not understand the situation, be an unnecessary repetition and be somewhat confusing.

I table in addition to the correspondence, the agenda for the meeting with Drs. Cameron and Davidson held in Toronto on November 2nd, and subsequently in Ottawa on November 30th.

5. On November 30, 1956, a delegation from Ontario, including the Deputy Minister of Economics and members of the Ontario Hospital Services Commission, visited Ottawa, where detailed discussions were held on the technical phases of hospital insurance with Dr. Cameron, Dr. Davidson and other members of the staff of The Department of National Health and Welfare. The question of mandatory coverage was fully explored and Ontario's position was made clear.

6. On December 13th, the hon. Prime Minister of Ontario and the hon. Provincial Treasurer met with the Rt. hon. Prime Minister of Canada in Ottawa for the purpose of discussing hospital insurance and left with him a copy of the Ontario proposal for implementing it, along with a letter dated December 11, 1956. In this letter, I stated that "time is (therefore) of the essence and we should know by at least early in the new year as to whether the way is clear for us to proceed."

This other memorandum which I want to table is the one which was announced in the letter to the Rt. hon. Mr. St. Laurent on December 11th. This is essentially the same agenda which we used at the first meeting, and again it is essentially the same with some additions and some explanations as the memorandum or the white paper presented in this House, or tabled in this House on January 29th.

7. There then ensued the following correspondence:

- (a) Letter from Mr. St. Laurent to Mr. Frost, January 4, 1957.

(b) Letter from Mr. Frost to Mr. St. Laurent, January 9, 1957.

(c) Letter from Mr. St. Laurent to Mr. Frost, January 22, 1957.

(d) Letter from Mr. Frost to Mr. St. Laurent, January 24, 1957.

(e) Letter from Mr. St. Laurent to Mr. Frost, January 28, 1957.

(f) Letter from Mr. Frost to Mr. St. Laurent, January 30, 1957.

(g) Letter from Mr. St. Laurent to Mr. Frost, February 1, 1957.

(h) Telegram from Mr. Frost to Mr. St. Laurent, February 4, 1957.

This, as you can see, is right up to date, up to the very last minute.

8. On January 29, 1957, the government of Ontario distributed its memorandum and proposal on hospital care insurance.

9. During this whole period intensive studies were made of the implications of hospital insurance and the best methods of implementing it.

With that explanation, I shall table this memorandum, and will have it distributed among the hon. members of the House immediately.

Toronto, Ontario
December 11, 1956

DEAR MR. ST. LAURENT:

Herewith is a concise statement of Ontario's hospital proposals. These are drawn up within the context of the federal proposals. Please note, however, that there are points upon which we would like to have reconsideration and which we feel, in fact, should be in all fairness reconsidered.

The Hospital Services Commission, together with some of the Ontario departments interested, and including myself, have discussed this matter with Dr. Davidson and Dr. Cameron representing Mr. Martin. While these matters have not been discussed with Mr. Martin directly, owing to his absence overseas, nevertheless I believe that Drs. Davidson and Cameron did have the opportunity of discussing it with him.

To bring into effect such a plan is a very large order. As will be seen from the enclosed memorandum, about two years' preparation is necessary. In other words, if we are going to bring the plan in by January 1, 1959, it is necessary that we should start now. Time,

therefore, is of the essence and we should know by at least early in the new year as to whether the way is clear for us to proceed.

These proposals have been evolved with a view to providing a universally available coverage for our people. As a matter of fact, we have considered it desirable to obtain a coverage from 85 to 90 per cent. of our people as soon as possible. At the same time, the method and the introduction of this plan will provide for maximum of efficiency of administration, which is essential if costs are to be kept down and within control. We think the plan meets the tests of good business judgment which are required in a matter of this sort. I should be obliged if you would let me know just as soon as possible the views of the federal government.

You will note that the enclosed proposal is marked "confidential—not for release." It is my view that these proposals might be released some time early in the new year, at a time which can be determined. In the meantime, it gives the opportunities for both governments to negotiate on points upon which further consideration is required. That is the purpose in marking the matter as confidential and not for release at this time.

Very sincerely yours,

(signed) LESLIE M. FROST

Rt. hon. Louis S. St. Laurent, Q.C.
Prime Minister of Canada
House of Commons
Ottawa, Ontario

Ottawa
January 4, 1957

The Honourable Leslie M. Frost, Q.C.
Premier of the Province of Ontario
Toronto, Ontario

DEAR MR. FROST:

I was under the impression that I had made a provisional answer to your letter of December 11th, with which you sent me an interesting memorandum on the Ontario Hospital Care Insurance Proposal.

I even asserted to my people here that I had written to you that copies of this memorandum had been made and distributed to each of my colleagues for his personal study, but that I did not wish to bring the matter up for discussion in cabinet until after the return to Ottawa of the Minister of National Health and Welfare. My office staff has, however, been unable to find a copy of such a letter and it may be that, in the rush of things I was attending to before I left for Christmas, I omitted to dictate the answer I had intended to make.

In that event I would owe you an apology and would ask you to treat this as the provisional reply you should have received several weeks ago.

Mr. Martin is expected back at the end of next week, and I hope we will be able to give some consideration to your plan shortly after his return.

Yours sincerely,

(signed) LOUIS S. ST. LAURENT

Toronto, Ontario

January 9, 1957

DEAR MR. ST. LAURENT:

Your letter of the 4th instant is at hand, and I thank you very much for the same.

Concerning the reply to my letter, I, in fact, regarded our conversation as an answer as you stated at that time the matter would be considered on Mr. Martin's return home.

In the meantime, I send my very best wishes for the New Year.

Sincerely yours,

(signed) LESLIE M. FROST

Rt. hon. Louis S. St. Laurent, Q.C.
Prime Minister of Canada
House of Commons
Ottawa, Ontario

OFFICE OF THE PRIME MINISTER

Ottawa,

January 22, 1957

The Honourable Leslie M. Frost, Q.C., M.L.A.
Premier of the Province of Ontario
Parliament Buildings
Toronto 2, Ontario

DEAR PREMIER FROST:

My colleagues and I have now had an opportunity to consider further the plan which you have developed for hospital insurance and pre-paid diagnostic services in Ontario, as set forth in your letter of December 11 last and accompanying memorandum.

We are of the opinion that, provided the estimates of coverage given in your letter are in fact realized when the proposed scheme becomes effective, it could properly be considered as coming within the framework of the federal government's proposals to the provinces of January, 1956. We would, of course, feel that some assurance on this point would need to be incorporated into the agreement between our governments on this subject.

As you are aware, the federal proposals state that the benefits of the programme are to be universally available to all residents of the province. In making this stipulation, the federal government realized, of course, that it would not be practicable to insist upon 100 per cent. coverage of every individual in the province.

The experience of both Saskatchewan and British Columbia, in the actual operation of

public hospital insurance plans, has demonstrated that even where universal or almost universal coverage is required by law, it is extremely difficult in actual practice to achieve a coverage in excess of 95 per cent. of the provincial population. Consequently, it would seem reasonable to expect that, if a scheme such as you contemplate in Ontario can achieve from the outset 85 to 90 per cent. coverage of the population, it should be possible to improve methods of coverage by one means or another and thus equal, if not exceed, the degree of coverage achieved in the two western provinces.

You estimate that it will require a considerable period of time to make the necessary advance preparations and to build up coverage in the plan to the level of 85 to 90 per cent., which you envisage; and that in consequence you will not be able to get the plan into actual operation before January 1, 1959.

This is, of course, a matter for your government to decide in the light of its own assessment of the administrative and organizational problems involved. For our part, having in mind the general desire, which we share, that the nation-wide programme should get under way as soon as possible, we would hope that some way might be found, without jeopardizing the efficiency of the operation in any way, to advance the proposed starting date.

I note the reference in your memorandum to the federal government's position with respect to the inclusion in the insurance scheme of care given in tuberculosis and mental hospitals. Your suggestion of including a small additional premium to cover part of the costs of care in these institutions is, of course, a matter for the province to decide.

There could, however, be no justification from the federal government's point of view for burdening the general insurance scheme to which its contribution would apply with the costs of care given in these types of institutions. These costs are borne very largely at the present time by the provincial and municipal governments themselves; there would consequently be little or no gain for the individuals concerned in having the burdens presently borne by the provincial and municipal treasuries transferred to the new insurance programmes.

The logic of the federal government's position in this matter is confirmed by the fact that both British Columbia and Saskatchewan have taken, in their own provincial hospital insurance programmes, the identical position which the federal government has taken in its proposals of January, 1956.

I do not think that I need to comment on any of the other points raised in your memorandum beyond saying that we will, of course, be glad to carry on further talks with you and your officials on the merits of the various items you have raised, as separate points for discussion, on the fourth page of

your memorandum. It seems clear from the way in which these are set out that you intend them, not as an integral part of the plan which you wish to present, but rather as matters on which there should be further discussion.

I am sure that you will find that there are also numerous other points that your officials and ours will wish to refer to our respective governments as detailed discussions proceed in the course of the next few months.

You referred in the last paragraph of your letter to the desirability of deferring for the time being any public disclosure of the details of the Ontario plan. If you feel, as a result of this reply, that you are now in a position to make a public statement of Ontario's acceptance of the federal proposal and to release the details of the scheme which you are planning to introduce, I would be glad to have you advise me in this regard.

I would not wish any premature disclosure of the details of these discussions to be made at this end, but at the same time I would like to be in a position to make suitable reference to them as soon as you feel that it would be appropriate to do so.

Yours sincerely,

(signed) LOUIS S. ST. LAURENT

Toronto, Ontario
January 24, 1957

DEAR MR. ST. LAURENT:

Your letter of the 22nd instant is at hand and I note carefully what you say.

The second paragraph of your letter reads:

"We are of the opinion that, provided the estimates of coverage given in your letter are in fact realized when the proposed scheme becomes effective, it could properly be considered as coming within the framework of the federal government's proposals to the provinces of January, 1956. We would, of course, feel that some assurance on this point would need to be incorporated into the agreement between our governments on this subject."

If this paragraph means that there would be no federal participation in our plan until we have reached 85 or 90 per cent. coverage, then it would seem to me to be a rejection of our proposal which has been discussed over several months. I cannot believe that this is intended, but the paragraph is certainly capable of that interpretation.

In Ontario's memorandum we have discussed, and in my letter of December 11th I pointed out, that our proposal had been evolved with a view to providing a universally available coverage for our people. I stated "As a matter of fact, we have considered it desirable to obtain a coverage of from 85 to 90 per cent. of our people as soon as possible." There should be no misunderstanding on this point.

We cannot guarantee an 85 to 90 per cent. coverage of our people on any date. Indeed, at no time have we indicated that at the commencement of the plan, which we felt would be January 1, 1959, we could be assured of that coverage. That coverage is an objective which we hope to achieve and, if possible, better as quickly as possible.

I would not want any misunderstanding in the matter of federal participation. I think this is quite fully covered in the memorandum which has been the basis of our discussions—a memorandum which is substantially the same as that contained on pages 22 to 27 of the enclosed memorandum.

It has been the clear objective of ourselves and of our advisors that agreement should be arrived at between the federal and provincial governments which would enable federal participation from the commencement. I have by no means said or inferred at any time that this participation would become effective only when we had obtained a coverage of say from 85 to 90 per cent. of our people.

In all of the discussions we have held at various levels, this position has been made abundantly plain. The plan we have proposed is premised upon

- (a) Federal participation from the commencement,
- (b) An administration unhampered by impossible conditions. This is the intent of paragraph 4 of page 24 of the enclosed memorandum.

May I again briefly outline the problem, which is by no means easy, that we have to meet in Ontario:

From a provincial standpoint, the success of the plan depends upon a wide coverage of our people, and not merely of those who have a high incidence of sickness. As the cost to the province is very formidable, it is essential from our standpoint to spread the burden. Our advisors and ourselves, however, feel that broad coverage can be obtained and that we can achieve our objective of from 85 to 90 per cent. and perhaps more, *provided we do it in a sound way and provided we do not overburden the commission and the insurance administration with impossible conditions.*

Ontario with its 5.5 million people has many and varied conditions to contend with. We now have upwards of 3.5 million people with some type of insurance coverage. The best of this coverage is in no case as substantial or as embracing as that which we propose in the area with which we deal.

The coverage we propose will take care of the catastrophic incidence of sickness. It will eliminate hospital deficits and will lighten and probably eliminate the financial burdens of our municipalities.

On the other hand, many of the present coverages include items and very important

items which are not, and could not be, in our basic coverage. There is thus left a large field for private insurance companies to operate in, providing coverages supplementary to our basic plan.

It is, therefore, necessary that there should be the fullest opportunity for the integration of present plans, which include those negotiated between labour and industry, with the proposed basic policy. At the same time, our people should have the opportunity to obtain additional protection over and above the basic coverage in the government plan. This is a very important and difficult problem.

We are perfectly satisfied that this can be brought about, but it will involve the exercise of discretion on the part of the Ontario Hospital Services Commission, in the manner we have outlined in the proposals submitted to you, and that is contained in the memorandum I enclose with this letter. It was also discussed fully with officials of The Department of National Health and Welfare.

In the judgment of the government and its advisors here, it is upon sound, orderly administration that the success of this plan depends. It could be inviting serious trouble indeed to burden the commission with conditions which are unsound or impossible. The matter of administration vitally affects both levels of government, but to a very much larger extent that of the province. The federal formula is based not only on per capita hospital costs within the province, but also the average across the country. The province of Ontario with its great growth and industrialization is a high-cost province. The federal formula without such sound administration could greatly penalize Ontario and add heavy costs to our people.

It would, of course, affect the federal government from the standpoint of raising the national average. It is, therefore, important to you also. We must implement such a plan carefully. It must be assimilated in such a way as to prevent driving up hospital costs in this country.

An example of this is the information we have already presented to the public, namely that for an all-embracing plan such as we propose, the costs based on 1956 for the whole people would run about \$160 million. By 1960, however, we are warned that the costs could total nearly \$300 million.

This increase of cost we believe can be contained by sound administration, and it is in this regard we propose to use every effort. Otherwise this plan, which should be a great benefit to our people, could become a heavy burden that would hamper us in doing the other things which we should do in this great, developing country. This is the reason we have laid such emphasis on efficient administration and the Ontario Hospital Services Commission having discretion over the provisions for mandatory coverage.

The federal government's contribution to the proportion of Ontario's "shareable costs" would be about 48 per cent., but in terms of the cost of the whole plan that we propose it would be about 35 per cent. This points up the provincial responsibility and the absolute necessity of care in administration if we are not to undermine the province's fiscal position.

As I have said before, I have no intention of making this problem appear easier than it is, or, on the other hand, exaggerating its difficulties. I think, however, it is wise that we face up in a practical way to the difficulties that such a comprehensive plan as we propose is likely to encounter, and which could add substantial costs which our people would have to pay through taxes and premiums.

Concerning the last paragraph of your letter: in my letter to you of December 11th, I felt that it was desirable to defer for the time being the disclosure of any of the details of our proposal in order to provide full opportunities for discussion and, where possible, for changes in points of view. In my letter I stated it might be released some time early in the new year.

The Ontario Legislature meets on Monday, January 28th. It will, of course, be necessary for me to inform the Legislature as to the nature of our proposal and I plan to table it with the enclosed memorandum at 3.00 p.m., Tuesday, January 29th.

Of this memorandum the first 22 pages are devoted to providing the sort of general information it is necessary to give the members and the press. It is an outline of the background of the subject and the conditions which have to be met. Pages 22 to 27 are substantially a repetition of the proposal which our respective governments have been discussing.

In view of your letter, which appears to indicate that we are not in agreement, I do not intend to give any particulars of our discussion to the public at the present time or table the correspondence, although I have no objection to this being done. I simply intend to say that the matter is being considered by both governments.

If my interpretation above is correct, it is very apparent that we have not reached agreement, but I am, nevertheless, very hopeful that we can. I may say that I would be extremely disappointed if my interpretation of the second paragraph of your letter is as I make it. It would be extremely unfair to our province and I do not see how I could recommend its acceptance. I trust that subsequent negotiations will resolve this matter. I shall be very glad to discuss it with you or with Mr. Martin. My colleagues, officials and advisors will be ready to meet at any time — in fact the sooner the better.

With regard to your references to the commencement date of January 1, 1959, may I say that this is a tentative date, depending, among other things, upon agreement between

our two governments, the participation from the commencement of the federal government and the creation of the necessary provincial organization to deal effectively and efficiently with this highly complicated matter. This has been referred to extensively in the enclosed memorandum.

Our advisors as you know are largely drawn from the Ontario Hospital Association and Blue Cross organization. The personnel of the Ontario Hospital Services Commission comes entirely from the former organization. If the tentative date of January 1, 1959 can be advanced without impairing efficient administration, I can assure you it will be, but that is premised, among other things, upon agreement between our two governments. For that reason as I said in my letter of December 11th, time is of the essence if we are to have any hope of advancing the date tentatively suggested.

As stated, I am prepared to renew our negotiations immediately on these fundamental points.

Very sincerely yours,

(signed) LESLIE M. FROST

Rt. hon. Louis S. St. Laurent, Q.C.
Prime Minister of Canada
House of Commons
Ottawa, Ontario

AIR MAIL

Copy sent by special delivery January 24, 1957.

TELEGRAM

5.00 P.M.

January 28, 1957

Monday

HAVE JUST MAILED ANSWER TO
YOUR LETTER OF JANUARY 24TH.
WARM REGARDS.

LOUIS ST. LAURENT

Ottawa,

January 28, 1957

The Honourable Leslie M. Frost, Q.C., M.L.A.
Premier of the Province of Ontario
Parliament Buildings
Toronto 2, Ontario

DEAR MR. FROST:

I have your letter of January 24th with the enclosures which are to be made public tomorrow and I wish to thank you for them.

In regard to the coverage of your plan, the federal government has no desire that the government of Ontario should enter into any plan or undertaking which is unwise or

impractical. We recognize the very serious administrative problems in establishing a hospital care plan such as you have in mind, particularly in a province where so many persons are already covered in varying degrees by private plans of one kind or another. The 85 to 90 per cent. coverage which we mentioned and about which you express concern was the figure which you yourself had mentioned in a context which we thought indicated that you expected to achieve this when your plan was established.

I am confident you will realize on your side the problem which a plan of your type presents to us. We believe the test of being "universally available" in a province to which we are contributing is essential in order that all citizens in that province are able to take advantage of the contribution we are to make from general tax revenue. We feel that this availability must be real, not just theoretical; it must be administratively practicable as well as a matter of entitlement.

Secondly, we believe that to justify the very substantial contribution from our general tax revenue, the plan must not only be available to all, but in fact be generally utilized. This is the principle we have followed as among the provinces in this matter, with general public support. It seems proper that it should be applied within a province, not as anything we try to impose upon the provincial government, but simply as a test of when enough of our people support a plan to justify a major contribution to it from general tax revenue.

We had thought the plan you proposed and the indication you gave that you expected a coverage of 85 to 90 per cent. met these reasonable tests, as well as the other features of the offer outlined a year ago following our discussions here.

We believe that if you feel you should not give assurance of being able to reach your figure of 85 per cent. by a certain stage, it should be clearly set forth in our agreement that your plan will be universally available in fact as well as law, and that your commission will work without delay to obtain reasonably universal coverage.

Moreover, we feel you should make public sufficient of the details of the plan you intend to offer, including the premium rates, the benefits and other relevant conditions to enable us to satisfy Parliament that the plan you offer to the people of the province will be sufficiently attractive to them as individuals to enable you, in fact, to achieve your 85 per cent. coverage in this largely voluntary plan within a stated relatively short period.

I shall be glad to hear from you further, as it seems to me we are well on our way to reaching agreement on this matter.

Yours sincerely,

(signed) LOUIS S. ST. LAURENT

Toronto, Ontario
January 30, 1957

DEAR MR. ST. LAURENT:

In reply to your letter of January 28th, I would say that an interpretation of the term "universally available" should not be imposed which in fact is not justified and could make the administration of the hospital insurance plan difficult and expensive, and perhaps altogether impossible.

I am, of course, concerned with conditions in Ontario. Our administrative problem clearly is huge and complex—one which will require very great skill to solve. I am sure we have those skills available, but even with these, the plan could not succeed if interpretations and conditions were imposed which would render an already complex task more difficult and which if insisted upon could only result—if the plan were proceeded with—in administrative difficulties being translated into higher premiums and taxes.

One of the most effective ways of making the plan attractive is by keeping down costs to the individual taxpayer and assuring him adequate protection at the lowest possible cost. In this way we assure him full value for his money.

Your proposal of January 26, 1956, states in part:

"Provincial hospital insurance plans, in order to qualify for consideration should:

- (a) make coverage universally available to all persons in the province;
- (b) include provision of specified diagnostic (laboratory and radiological) services to persons in hospital and within an agreed period of time to persons outside of hospital;
- (c) provide for a limit to be placed on co-insurance or deterrent charges so as to ensure that an excessive financial burden is not placed on patients in respect of hospitalization costs at the time of receipt of service."

It seems to me that the meaning of the term universally available in (a) above is clear. The plan must be available to every man, woman and child regardless of age or physical or mental condition or economic circumstance. There must be no discrimination between individuals.

But there is nothing in your proposal which states that a specific proportion of the population must be provided with coverage on any date. So long as the conditions are as above and the plan is open to everyone to join, there is every justification for federal participation.

As far as Ontario is concerned, the position is clear. We regard wide coverage as a neces-

sity. It is not our intention to accept only the poor insurance risks. In meeting the condition of universal availability, of course, we have to accept these, but to make the insurance plan practicable, in our view it is necessary for us to have enrolled in the plan the good as well as the bad risks. Thus our coverage must be as wide as possible.

Common sense and economic incentives combine to dictate such a course. Our hospital insurance memorandum presented to the Legislature and my discussions and communications with you and the Minister of National Health and Welfare indicate how we propose to do it. No one can anticipate all of the problems to be met and, therefore, one of our first steps has been to evolve the type of administration with whom the exercise of discretion could be placed with confidence. In close partnership with the Ontario Hospital Association, I am satisfied that this has been achieved.

It seems to me that the Ontario proposal, which is drawn within the four corners of your proposal of 1956, is flexible enough to meet the particular conditions met in every province. All our problems are different.

The question may be asked — What if a province does not attain a high percentage of membership in its plan? May I point out that the principle of universal availability still applies. Everyone could join and there would be strong financial inducements for them to do so. The province would be bound to provide for those residents who would otherwise be prevented from participation by economic circumstances. This group would include social assistance cases.

Such a province would only penalize itself if it confined its coverage to that class, because the incidence of hospitalization and in consequence costs would be higher. The federal government would be protected by your formula which provides that your contribution to a province shall be a fraction of the shareable operating costs of hospital care computed on the basis of

- (a) 25 per cent. of the per capita shareable costs in that province plus
- (b) 25 per cent. of the average per capita shareable costs in Canada as a whole, multiplied by the population covered by the provincial programme.

This formula affords the federal government ample protection. Federal contributions are clearly limited to a percentage of the cost of those insured under the plans in effect in each province. Further, if a province has relatively high costs, these are levelled down for the federal government by its formula

which is based in part on national average cost.

Moreover, the people of each province would be completely free, indeed they would be encouraged, to enroll in the plan. Coverage would be available without discrimination.

If a provincial administration did not press forward towards its objective of universal coverage—which its own interests would assure that it did—nonetheless, great progress would still be made. At least no one in that province would be denied admission to the hospital care plan because of age, health or economic circumstance. Much would still be accomplished in raising the standards of health care.

In one form or another, this matter has been before the Canadian people for many years. I think it is fair to ask why public hospital insurance is not in general use. It seems to me that the whole answer lies in that administrative difficulties have appeared to be so great and the plan so expensive that the provinces have felt that with their limited resources they simply could not afford it. This may still be the case if conditions are imposed that they have either to do the job at once or in a time which does not allow for the development of an efficient administration.

If hospital insurance is to be brought about in Canada then I would presume to say that, in the light of the problems in my own province with which I am familiar, a flexible system geared to the above interpretation of universal availability should be used. This I am sure would meet every practical test that reasonable people could ask for and would completely justify federal and provincial participation.

For Ontario, I am quite prepared to say that our commission will work without delay in every practicable way to obtain a utilization which is as wide as possible. In saying this, I leave it to their good judgment and discretion to determine when, in whole or in part, the plan should be made mandatory and how this very complicated administrative task will be achieved. The objective of universal coverage is one the Ontario Hospital Association has long striven for, and I have no doubts about their ability to achieve in a sound, business-like way this objective which is common to the association and to this government.

Very sincerely yours,

(signed) LESLIE M. FROST

Rt. hon. Louis S. St. Laurent, Q.C.
Prime Minister of Canada
House of Commons
Ottawa, Ontario

AIR MAIL

OFFICE OF THE PRIME MINISTER CANADA

Ottawa,

February 1, 1957

The Honourable Leslie M. Frost, Q.C., M.L.A.
Premier of the Province of Ontario
Parliament Buildings
Toronto 2, Ontario

DEAR MR. FROST:

Thank you for your further letter of January 30th on the subject of your hospital insurance plan.

I fully agree with your emphasis on achieving good administration. The size and nature of the programme make administration and economy very important. Only by good management of these major public hospital programmes can the people of Canada get their full money's worth from the premiums and taxes they will pay to meet the costs of these necessary services.

I welcome the assurances you give in your letter concerning the policy that your Hospital Commission will follow in regard to coverage. I also take it from your letter that you would not see any objection to stating in our agreement that coverage will be available in fact as well as in law to all people in the province.

It seems to me that such assurances would go a long way toward meeting what I had in mind when I suggested in my letter of January 21st that "some assurance on this point would need to be incorporated into the agreement between our governments on this subject."

There remain the questions of detail concerning benefits, premiums and related matters that will enable us to form a judgment that the plan will in practice appeal to enough people to cause it to be utilized on a scale that would warrant support from the general tax revenues of Canada. This is necessary because, as we understand from your letter and press release, your plan will be in essence a voluntary one for all persons except indigents, at least until such time as your commission decides it should be made mandatory, as you say, in whole or in part.

The basic purpose of our offer of support was to make possible the initiation of plans of general application within each province. In view of this we feel that where public plans are to be launched on a largely voluntary basis, the terms on which they are offered to the public should be sufficiently attractive to appeal to a majority of the people and manifestly better than alternative competing plans.

It should be possible for provincial authorities to offer such advantageous terms with the aid of the substantial support offered from the federal treasury.

I take it from your letter of the 30th that you are not yet ready to make public the details as to premiums which are necessary to

reach a judgment on the attractiveness and probable coverage of your plan. No doubt your experts are working on this.

I would suggest that as soon as they are ready, your Minister and officials most directly concerned with the programme might meet with Mr. Martin and our officials to discuss the details of your plan and the terms of a possible draft agreement for federal support of it. I have no doubt that such discussion in detail will lead in due course to a form of agreement that will be satisfactory to both our governments, contingent of course upon a sufficient number of other provinces being willing to proceed as well.

I hope you will let me know that such discussions will be possible, and when you would expect your side to be ready with the details as to the premiums which you propose to charge as well as the other data necessary to make such discussions fruitful.

Yours sincerely,

(signed) LOUIS S. ST. LAURENT

TELEGRAM

Toronto, Ontario
February 4, 1957

RT. HON. LOUIS S. ST. LAURENT
PRIME MINISTER OF CANADA
OTTAWA, ONTARIO

YOUR LETTER OF THE 1ST INSTANT IS AT HAND. I AM QUITE PREPARED TO HAVE OUR MINISTERS CONCERNED AND OUR OFFICIALS AND EXPERTS SIT IN AT ONCE IN A CONTINUATION OF OUR CONFERENCES. THAT, OF COURSE, WAS THE PURPOSE OF THE DISCUSSIONS OF NOVEMBER 2ND AND NOVEMBER 30TH LAST. WE ARE PREPARED TO CONTINUE THESE AT ONCE AND DISCUSS IN DETAIL OUR PROPOSALS. THIS TELEGRAM WILL BE TABLED WITH THE OTHER DOCUMENTS.

LESLIE M. FROST

MR. F. R. OLIVER (Leader of the Opposition): May I ask the hon. Prime Minister (Mr. L. M. Frost), is it the view of the government at the present time that there should be a substantial percentage of people of the province enrolled and eligible for the benefits of such a plan before it should move into operation?

HON. MR. FROST: Mr. Speaker, I think perhaps it would be better if the hon. Leader of the Opposition read

the correspondence which deals with that point very specifically and very fully. I cannot see that there is anything to be gained by elaborating on that situation at the moment. I think it is perfectly plain in the correspondence.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. Thirteenth report of the Liquor Control Board of Ontario for the 12 months fiscal period ended March 31, 1956.

2. Tenth annual report of the Liquor Licence Board of Ontario for the 12 months fiscal period ended March 31, 1956.

MR. D. C. MacDONALD (York South): Mr. Speaker, before the orders of the day are called, may I be permitted to make a brief correction in the news account of one of the bills which I introduced in the House on Friday?

In the *Globe and Mail* of Saturday there is a paragraph which reads as follows:

One bill, an amendment to The Farm Products Marketing Act, would provide for establishment of a marketing board when a straight majority of those voting favoured the collective marketing of farm products.

Mr. Speaker, the bill I introduced made specific reference to the prescribed percentage, and the prescribed percentage is fixed by the marketing board and is not necessarily a straight majority, it may be any percentage varying with the nature of the scheme that the board designates. The object of my bill was not with regard to the prescribed percentage, but rather to that percentage which would have reference to those voting rather than those eligible to vote.

MR. SPEAKER: Orders of the day.

HON. MR. FROST: Mr. Speaker, at this time I wish to proceed with the matter we discussed Thursday, that is the report from the hon. member for Bellwoods (Mr. Yaremko) with reference to the Hungarian problem.

The hon. member for Bellwoods, with Mr. Joseph Bottlik, at the instance of the Ontario government, visited Austria, the United Kingdom, and, en route, other European countries with a view to obtaining first-hand information as to the situation to be met with in relation to the Hungarian problem.

I believe it will please the hon. Leader of the Opposition and the hon. members who serve him when I say that in Saturday's press it appeared that the matter of division of certain costs between the federal and provincial governments had not been settled. In my opinion, that is a question of detail, and for the moment it is not my purpose to consider, in the hon. member for Bellwoods' presentation, any matters which deal with the financial arrangements between the federal and provincial governments.

In the meantime, the provincial government is paying the full cost, and will continue to do so. I am quite satisfied that the matter of costs involved can be adjusted satisfactorily.

I know the hon. Leader of the Opposition may think I am an incurable optimist to make that statement in this House, but I am an optimist, and I think that matter can be resolved. It is sufficient to say that we have given full co-operation to the federal immigration authorities and we shall continue to do so.

The matter upon which I want the hon. member for Bellwoods to report, arose from the situation that this country—in common with all western members of the United Nations as a matter of fact—met with on the last days of October and the beginning of November, last year. The situation as it existed last October and November, and as it exists now, is that arising out of the revolt in Hungary and the subsequent use of force by Russia. As a result of that, very large numbers

of people fled from Hungary into Austria, they fled into Italy, France, the Netherlands and the United Kingdom.

The matter became one for the United Nations, of which Canada is a member, and of course that is the position when we come into the picture.

We in Canada have pinned our hope for peace, in the future, on an effective United Nations. I must admit that as a member of this House it is disquieting to hear, particularly from overseas, the misgivings of people, substantial people who have apparently lost some faith in the possibilities of the United Nations. I do not think that is a view that is held here in Canada, and we hope that will not be the case.

Last night I was watching on television a Mr. A. P. Herbert, who is a noted humorist, and a legal man from the United Kingdom, but it seems to me his reference to the United Nations was certainly not humorous. I think it indicates a situation of grave concern when he stated "the United Nations stunk in the nostrils of the people of the United Kingdom."

Perhaps it may come about from the fact that it is desired, or is desirable, to make the United Nations more of a force to do something rather than a debating society. That may have been Mr. Herbert's point of view, but I would say that statements such as that are sufficient to cause disquietude.

Quite obviously, as I say, we have pinned our hopes on the United Nations to be the instrument whereby peace can be assured in the world of the future, and obviously the problem we meet with in Hungary is one for the United Nations to meet and deal with if peace is to prevail.

Membership in the United Nations entails obligations at all levels of government and for all citizens. It is a like responsibility for all countries, and I would say that our example in Canada will have its very obvious effect elsewhere. For that reason, I feel this is a matter of importance, not only to the men, women and children in Ontario,

but to those people who go to make up the western world.

In Ontario, we have been absorbing about one-half of the New Canadians coming into Canada. As a matter of fact, in the Hungarian matter to date, our percentage is considerably lower than that, so I am informed, but, nevertheless, it is a very substantial proportion of the Hungarians entering Canada.

It is very apparent that this province was and is greatly concerned about conditions to be met by this abnormal situation. Generally speaking, New Canadians who are coming to this country under existing plans have been substantially sponsored, and have ways and means to assist them in their establishment in Ontario and Canada. But, conditions imposed by these refugees are quite different.

Therefore, it seemed desirable that we should know the type of emergency in which we were called upon to assist, and the problems which would have to be met. With that purpose, the hon. member for Bellwoods visited Austria. The hon. member comes from a New Canadian family himself, as does Mr. Bottlik, a very fine young Hungarian. It was with the aforementioned purpose that these gentlemen were asked to go over and see the scene for themselves, and to report back to the government, and the reason why I am making his report available to the House.

I may say that in conjunction with that, the hon. Minister of Planning and Development (Mr. Nickle) will be able to tell the House what has been done to date in relation to the establishment of these very fine people in our province.

With your permission, Mr. Speaker, and that of the House, I shall ask the hon. member for Bellwoods to proceed.

REPORT ON HUNGARY REFUGEES

MR. J. YAREMKO: Mr. Speaker, The mission on which I embarked on

December 3, 1956, was brought about, as the hon. Prime Minister has said, by a series of events which, I believe, will form a shining chapter in the history of the peoples of the world.

On October 23, 1956, a group of students and workmen in the city of Budapest, Hungary, demonstrating against Communist oppression, were fired upon, and a rebellion flared up.

The news broke upon the world—that a small nation had not only stood up against, but was willing to “take on”, the Russian Communist juggernaut—yes, a small nation, indeed, of 10 million people, occupying only 26,000 square miles, which is about the same size as the state of Ohio. In comparison, Ontario has 260,000 square miles of land area alone, equivalent to Ohio plus 13 other states.

Daily, the news of the heroic struggle came to us, until, on November 1st, it seemed that the rebelling people of Hungary were in control.

Then, on November 4th, the Kremlin ordered its siege guns to smash the rebellion. Then began that epic struggle, which the world was able to see for the first time, of hands battling against tanks, rifles against siege guns. On November 14th the rebellion was smashed.

But the people of Hungary have continued the struggle. It continues even as we meet here today, and as the history of Hungary has shown it will continue.

But although they were beaten, they had shaken the system of Communism to its core, and in one stroke they had ripped a good-sized piece from the mask of Communism so that the world could again see the evil which lay behind it.

We in the western world have been fortunate. We have lived only in the shadow of the threats of Russian Communism; but there are tens of millions of people who have suffered directly from Communist oppression—the peoples of Latvia, Lithuania, Estonia, Poland, East Germany, Roumania, Bulgaria, the Ukraine, Byelorussia, and others. We have heard the rumblings through the years, and in Hungary the rumblings flared up into a wide

open struggle. On November 14th the rebellion was smashed, and as deportations, and the threats of deportation increased, the mass exodus of refugees began—deportation to the east, fleeing to the west; so that within the first 10 days some 60,000 had crossed into Austria.

As the hon. Prime Minister has pointed out, a wave of sympathy and of responsibility swept through Canada. In Ontario, the hon. Prime Minister, the great humanitarian that he is, set up the machinery. On November 26th the hon. Minister of Planning and Development (Mr. Nickle) and his staff went into action. On November 28th the hon. Prime Minister announced that I would be Vienna-bound; on Thursday Mr. Bottlik was selected; on Friday and Saturday travel arrangements were completed; and on Monday we were at the airport on our way to Vienna.

I should like to say a word or two about Mr. Bottlik, in addition to what the hon. Prime Minister has said.

Mr. Bottlik, as a very young man, came to Canada some 7 years ago. He completed his education at the University of Toronto on a scholarship, graduating in the honour course in philosophy and psychology. Prior to his arrival in Canada he had served with the International Refugee Organization in the welfare department, and at the time of his selection he was associated with the Hungarian Relief Fund. He is a man who is very fluent in languages — Hungarian, English and German. He proved of invaluable assistance to me not only as an interpreter but as a direct assistant.

From London we were joined by the Agent-General for Ontario, Mr. James P. Armstrong, who is so well-known to so many hon. members of this House, and to whom I should like to pay tribute. His knowledge and experience proved invaluable. His staff attended to the administrative details superbly. Mr. Armstrong mercilessly drove himself to make sure that we got all the facts expeditiously and thoroughly.

Prior to and during our trip, Mr. Speaker, many persons rendered a great deal of assistance. I am limited by time alone in spelling them out.

After conferring with the High Commissioner in London we proceeded to Bonn, Germany, where we met with the Minister of Citizenship and Immigration, who had only the day before arrived from Vienna. He told us of the situation as he had seen it, and described to us the new arrangements that he had made.

We took leave of him and went on to Vienna. At the airport in Vienna—we arrived late that afternoon—a remarkable coincidence occurred. Waiting at the airport for the first TCA plane to take them to Toronto, Ontario, were a group of refugees, and the plane they were waiting for was the same one that had flown us across the Atlantic.

Mr. Speaker, as you will recall, this was the group which, because of weather conditions, landed in Windsor and were driven to Toronto for their reception.

It was very heart-warming indeed when I returned to Toronto to see in the newspapers pictures of the men, women and children to whom I had bid bon voyage at the airport.

At the airport, I learned from a TCA official that these refugees had been waiting all day very patiently without a mid-day meal. It was my pleasure at that time to arrange for a light meal to be made available for all of them; and I am sure that every hon. member of the House would have done the same.

The next morning, in Vienna proper, we visited the offices in order to gain as much background material as possible. Quite naturally we visited, first of all, the visa section of the Canadian Embassy legation there. As we approached the building we saw outside a long queue of some 100 persons waiting to get in. We entered into discussion with them, and they showed us their eagerness to go to Canada. Some

of them had envelopes with addresses of people in the province of Ontario.

We proceeded into the building and were able to see the visa officers going through the procedure of processing the refugees. The administrative procedures had been shortened quite drastically over the week end by the Minister of Citizenship and Immigration, and the officers were very expeditiously dealing with refugees.

It was a coincidence—and a very handy coincidence—that almost every Hungarian refugee carried, as they do in police states, an identity card which, in some respects, is quite similar to a passport, so that the examining officers were able, in very short order, to obtain the necessary details.

We saw in an adjoining office an officer of the Inter-Governmental Committee on European Migration, and he was very expeditiously arranging the allocation of visaed refugees to transport, present and future.

We also visited another office — a very large hall that had been taken over at the time — where a great many refugees were being very speedily examined and processed.

From there we proceeded to the office of the League of the Red Cross Societies, where we met Mrs. Marguerite Wilson, a Canadian who is seconded to the League from the Canadian Red Cross for liaison purposes. She described to us the facilities and the machine that had been installed—a Telex machine—whereby the name, age and sex of each immigrant—each refugee—could be very rapidly transmitted to Geneva and to Toronto.

Mrs. Wilson described to us at that time the arrangements that were being made for the League of Red Cross Societies to take over the care of many of the camps. Just before I left the continent, a great number of nations, including our Canadian Red Cross Society, had taken over camps, and they had managed to arrange for the care of half of the refugees.

From there we went to the offices of the Inter-governmental Committee

on European Migration — commonly known as ICEM — which handles transportation matters for the governments which are members and which want to make use of its facilities. They handle all the bus transportation to and from camps and in Vienna. They handle the trains from Vienna and some other towns in Austria; the planes; the booking of ships and the berths on ships.

The ICEM is a very efficient organization created for the job it is doing. It is so efficient that within 3 days after Canada decided to make use of its facilities, ICEM was able to arrange transportation for 3,845 refugees, which was the full quota that Canada had set for the month of December.

It was seeing the inter-governmental committee in operation which led me to believe in the efficiency of a world organization dealing with a world problem on a world basis — in this case, transportation alone.

That afternoon we visited Mr. Herman Czedik of the Ministry of the Interior of Austria. It struck me very forcibly that he assumed quite casually the tremendous burden which Austria had assumed. To him, there was no other right thing to do except what Austria was doing. The generosity of Austria is phenomenal, when you consider that on the map it would fit in between Toronto and Windsor. It had permitted 150,000 refugees to cross the border and was trying to cope with all of the problems of care and housing that ensued.

Mr. Czedik was very pleased at the action that Canada had taken that week end, and his face lighted up when I told him of the interest of the people of the province of Ontario.

We visited with the Deputy High Commissioner of the United Nations who was dealing with refugees. He, too, was extremely happy about the action taken by Canada that week end. He told us of the great shortage of funds.

Mr. Speaker, for the purposes of the record, I would like to state that we were scrupulously careful not to inter-

fere in the slightest degree with the work of any office that we visited. We did it only at their convenience and not at ours.

That night we visited the Hungarian-Austrian border. We arrived there shortly after midnight, at a point called Klingen Bach, because we heard that it was one point where the refugees would be crossing in the evenings. It is about 200 yards within the Austrian border.

We found a small barrack-like hut in which there were, indeed, 13 refugees who had arrived earlier that night. We saw them as they lay there on mattresses on the floor. We had just come up to the barracks and it was cold, windy and pitch dark. I am sure the rural hon. members of this House are fully familiar with what it means to be alone in an area which is in pitch-black darkness.

A little distance away, the Austrian guards were huddled over their stove at their sentry hut.

We wondered how people could subject their bodies to travelling across a pitch-dark area of mud and swamp, through bush, across plowed fields, because they certainly were not travelling along the highways.

I recall an incident we had heard the day before, which indicates the extent to which people were willing to go. A mother had crossed with a small child, and in order that the cries of the child might not arouse attention, she had given the child a sedative. It had been too strong; and it was only because she had crossed at a point where medical attention was immediately available that the child's life was saved.

There these people lay on the floor, exhausted, sound asleep. We did not disturb them. Their clothes were piled at the sides of their mattresses. Their weary bodies were at rest.

The Austrian guard within this little barracks showed us the food that was available — a very thin soup, some pieces of bread, and apples.

We tiptoed out of that barrack hut, Mr. Speaker, and I may say that the trip back to Vienna in the small hours

was a very quiet one, because each of us was wrapped in the thoughts of what we had seen at two o'clock in the morning on the Austrian-Hungarian border.

Let me say a word at this time about the movement of refugees within Austria. The border itself is about 168 miles long, and it is about 120 miles from Budapest to the border, and another 50 miles from the border to Vienna. About 90 per cent. of the crossings are made during the night.

As I have described, the refugees crossing the border are tired and exhausted, and they end up in these little points of refuge — in this case a barrack hut at Klingen Bach—which are along the border. Such a point may be a church, a barn, a village hall—whatever type of accommodation is possible; and when the people get across the border, they rest.

The next day they are taken inwards usually to a village where a number of them may be collected; and from there, with transportation by carts or buses, they are taken to the first line reception centre. The refugees are then able to dry their clothes, get new clothes, be medically examined to some degree, and have a little better food.

Subsequently they are taken to another camp, Camp No. 2, with slightly better quarters, where they get warmer clothing, and are probably able to wash for the first time.

These people wait to be moved to Camp No. 3 where ICEM, the inter-governmental department, takes over, and the countries that are interested send their visa officers to examine the refugees and issue the visas. Also, some from that camp might go to a holding camp such as there is in Weiner Neustadt for those who wish to emigrate to Canada; a holding camp is for people who have been visaed but who are waiting for future transportation.

This is a system which was set up of necessity because the refugees were crossing the border in a continuous stream. The procedure had to be

kept up to move them further and further away from the border as the new refugees arrived.

The next day, we visited one of these first-line reception centres at a place called Eisenstadt; through which by that time some 55,000 refugees had passed. Because refugees passed through so quickly and in numbers far exceeding its capacity; conditions there were appalling.

As we entered the gates we, of course, were met by many refugees who began asking questions and asked us to assist them. The guard at the gate told us that, if we wished to proceed through the camp with any expedition at all, we should remove our arm bands in order to be able to move in and out.

There were groups of refugees everywhere. The place was jammed to the hilt, and although it was late evening we were told that no more could be taken in that night. We went into the buildings where the beds were crowded side by side so that there was scarcely any room to move. We listened to the welfare officer tell us some pathetic stories.

We saw 4 young lads with very long faces standing in a corner. Upon inquiring what was the trouble, we were told that although accommodation was available for these young boys at Salzburg, some 200 miles away, because they were students, they were unable to go because no money was available for transportation. I may say that each one of the four of us reached in our pockets and paid out 100 schillings apiece, the equivalent of \$4, in order to pay for those boys' transportation. I wish the hon. members could have seen how the faces of those boys lighted up when they were told what had been done.

We proceeded through the halls where people were lined up for the distribution of clothing, and it was so crowded we could scarcely pass.

We walked into a room which I shall never forget — a room that was filled with tubs and basins, and with clothes

for the children and babies, on tables. This was where the babies were washed. Babies, throughout the trek in their mothers' arms, had no opportunity of any cleanliness at all; yet in the frightful surroundings of these camps they were able to get the attention and care that every mother wants for her child.

We saw the staff working, and you could see they were weary almost to the point of collapse. We saw the food being handed out—very rough in form. Everywhere, as soon as people — refugees — knew who we were, they asked questions and asked for assistance.

Gradually we passed through the refugees within the building and went out into the fresh air; and it was good to be able to breathe that fresh air, and for us, from Canada, it was difficult to understand why it is that human beings should be subjected to such conditions.

As we were leaving the camp the refugees followed us up to the gates, asking questions and requesting assistance.

Earlier that day we had visited two other camps that were in the process of being readied for occupation. The one at Trieskirchen, although not yet completed, was already overcrowded with 4,000 refugees; and the camp at Wiener Neustadt, which Canada was taking over as a holding camp, although it was in a very uncompleted stage. The first bus load of refugees was driven up while we were visiting.

Those camps are typical of those I saw in Austria—some 65. Of these, only about 6 or 8 are actually habitable.

The word "camp" may lead to a little misconception. They are not camps as we understand them. They are old public buildings, old army barracks, or old buildings left from Hitler's occupation. Some have been unused, perhaps for many years. They include buildings of almost any kind that have been unused and ignored through the years; and suddenly they have had to be made usable. A great many of them had been occupied by the Russian occupation

forces in Austria, and prior to their evacuation from Austria they had ripped the "guts" out of every building they had occupied—ripped out the electricity, plumbing, water and heating systems—and all this had to be replaced in order to make the place even livable.

The accommodation in these camps is as I have described. In the first-line camps the refugees sleep on floors; the second-line camps function as I have told you; in the third-line camps there is some separation of families and a little more room to move.

The staff is made up of Austrian civil servants, Red Cross organizers, volunteer workers and members of international agencies.

The discipline in the camps we saw was very good. The refugees were participating in the work around the buildings. We were told that they cooperated and were very honest.

In Trieskirchen, although it was crowded, there was a very large room which had been set aside as a chapel for the use of all denominations. At the time we were there, a very large class was in progress.

Everywhere in the camps electricians and plumbers were doing their best to beat the winter season which was rapidly closing in. I may say that the sights in the camps made a tremendous impact on me. Seldom have I suffered such an emotional impact, and I am sure that any hon. member of this House or any citizen of Ontario would have had the same emotional impact. I am sure that the policy of the United States of America will be influenced by the fact that Vice-President Nixon has visited the camps.

Early in the course of the trip we had heard of the Hungarian University of Sopron, about 7 miles from the Austrian border. After the revolution had been quelled, a decision was reached, and the university as a whole—staff, students and dependents—crossed the border en masse into Austria and were stationed as a unit near Salzburg.

We proceeded to Salzburg to see them; arriving there, we stayed overnight, and in the morning made our way to the building in Strobl where the students were.

As we opened the door, the most surprising thing of the whole trip happened: sitting at the entrance to this door were the 4 young lads for whom we had provided transportation back in Eisenstadt.

Again, these lads had the longest of faces. As we walked in they jumped up in amazement and besieged us with words. Gradually we were able to make out the story. They had been misdirected and should not have been in this camp at all, because it was for the university alone. Staff, students and dependents would soon be dispersed, and no provision could be made for the lads to stay on.

We assured them, as we felt some personal responsibility for their welfare—after all, we had paid their transportation to that place—that we would see what arrangements could be made for them.

We then discovered the university staff were quartered some 10 miles away. We wished to see them first, so we drove to their quarters. At that very time arrangements were being completed for the Faculty of Forestry to go to British Columbia. Many had already left for England, Switzerland and Sweden. These mining professors were, of course, wondering where they would end up.

We had long chats with them, and many questions about Canada and Ontario were asked, and then we took our leave of them—however, not before asking the senior professor to check to see where these 4 boys were supposed to have gone.

We discovered they should have been directed to a camp for high school students 20 miles on the other side of Salzburg. We had agreed to take care of the boys and make sure they arrived safely.

As we walked out of the building who should be sitting on the side of the road but the same 4 youths, with desperate

looks on their faces. Somehow they had travelled this 10 miles; it was a mystery how they got there, but they had the idea we were their only single hope. We assured them that if they stayed on the spot we would pick them up and look after them.

Then we proceeded to the camp where the students were assembled, and we had lengthy conversations with them. As it was getting late we bid them good-bye and wished them the best of luck no matter where they might end up, and proceeded back to St. Wolfgang.

Stopping at St. Wolfgang, we picked up the 4 lads and drove to Salzburg. We left them at the bus station and gave them a few schillings for their fare, and watched as they cheerfully walked up the street. I have since often wondered about them, and sincerely hope they indeed did find a place of refuge.

As to the statistics on the refugees themselves, those which I have are, of course, as of December 10th, and since then have increased. In order to give you, Mr. Speaker, some conception of the problem at that time, these are the figures:

As of December 10th, some 122,000 had arrived; 48,000 had left, and 74,000 still remained in Austria. They were crossing the border at the rate, at that time, of 2,000 to 3,000 a night, and departing from Austria at the rate of about 3,000 or 4,000 a day.

The immediate problem, of course, was to move the refugees out of the small country because of the vast numbers coming in, and the neighbouring nations, as the hon. Prime Minister has pointed out, began to admit them. I give these figures from recollection, but I believe that Switzerland immediately took 10,000, Holland 5,000, France 5,000, Italy 4,000, Germany 6,000, the United Kingdom 11,000, and the United States of America, of course, was then committed to 21,500.

The intake was fluctuating at that time depending on how tightly the Russians were patrolling the border, and as soon as they tightened at one spot, of course, the refugees moved on to another spot.

It is difficult to have a guard along 168 miles.

However, at the time we were there it dropped overnight, and it was discovered the Russians had erected a false Austrian border within the Hungarian border, with signs posted up, and then the refugees would think they had crossed the border, enter into the open, and then be taken into custody. At that time most of the refugees were coming from Budapest, but they were gradually coming from further back, behind and inland.

The breakdown at that time as to type of refugees was this: about 70 per cent. were males around 30 years of age—either a little under or a little more—boys and single men. Only about 5 per cent. were young, single women; about 15 per cent. were married men with wives and children, and some 10 per cent. were married women and children. About 5 per cent. were over the age of 50, and of these only 2 per cent. were really medical cases.

The refugees were, in the main, young-looking and healthy, very poorly clothed, and most of them carried very few personal possessions. Very few spoke other than Hungarian. Many were labourers, these were of many skills and many trades. The women appeared industrious, were very quiet, and very much concerned about their children. The long period of oppression with no freedom and no economic future, and the fear of deportation, explains the type of refugees who were in Austria at that time.

Parents in Hungary were sending their children out of the country, and there were many young people between the ages of 11 and 15 who joined other refugees and crossed the border with them. It is these, generally speaking, who will present a particular problem to the nations of the world. Who is going to look after their education, and find foster families for them? There were, of course, as the hon. members know, very few children available for adoption because most of them had parents in Hungary

who had sent them across the border to freedom.

These statistics were gathered by myself in a very hurried fashion and, of course, are not up to date. The total figures exceed to date, I believe, 150,000. The hon. Minister of Citizenship and Immigration the other day filed very accurate statistics on those who had been visaed for Canada, and I am sure his department has up-to-date statistics for Austria.

Mr. Speaker, upon my return to Toronto I made a statement, the gist of which was as follows:

The most vivid impression I had of the Hungarian problem was its magnitude. You can see large figures presented in the newspapers; I can use the figure 150,000, but it is only when by sight you can translate that number into 150,000 human beings that the figures have any significance at all.

The second impression I had, Mr. Speaker, at the time was the urgency of the situation. Austria was faced, of course, with grave political and economic problems, including that of getting the refugees out very quickly in order to make room for new arrivals. It would have been a tragedy—a disaster for the western world—if Austria had been forced, because of being unable to cope with the refugees, to close her borders. Of course, the refugees there even now are living in what to us are intolerable conditions. It is difficult to know how long such refugees, living under those conditions, will be able to keep up the healthy condition most of them are in at the present time.

Because of the magnitude of this problem, in my initial statement to the hon. Prime Minister—giving him a general impression—I expressed my opinion that a special arm, a special international agency should be formed under the aegis of the United Nations. This should be done in order to correlate all the work which individual members of the United Nations were doing. If it were not feasible for the United Nations to create such an agency, then perhaps it could be handled by that other body, NATO,

of which most of the interested nations—those participating in the movement—are members.

When a layman sees the very efficient way in which the inter-governmental committee on European migration operated, and, of course, its only concern was with transportation; when one sees the splendid way in which supplies were being taken in as a whole and distributed by the League of Red Cross Societies; then, when it is recognized that there are special problems such as what will happen to the young people between the ages of 11 and 18; when it is borne in mind that a great many people in many countries are in temporary camps, and some future will have to be provided for them—it gives him reason to suggest, as I did, that an inter-governmental committee of some kind be set up.

Such a committee could be similar to the International Refugee Organization of postwar days, because it would have to deal with the emergency at hand, the long-term overall planning, and be prepared for any sudden crisis aggravating the present situation by a further large exodus of refugees.

If one were to start at the international level and work through the national, state, provincial and municipal levels, right down to the individual, I am convinced that there would be no problem at all too difficult to be solved.

In trying to describe the Hungarian refugees it is a most difficult task to try to describe a group of people as a whole. If I were asked to describe the people of Ontario I could say that they were freedom-loving, religious, industrious, law-abiding, desirous of standing on their own feet; I could say that quite properly, and yet might there not be the exception?

If we were to take a block of 150,000 residents of Ontario, and out of that 150,000 take 10,000, might we not get the exceptions at the same time as we would get a large number of those who fulfil the general description? So it is with any large group of human beings, and so it may be with the refugees.

As the hon. Prime Minister has pointed out, we in Canada have had decades of experience with newcomers. Canadians have never attempted to shut out others from what we call the "Canadian way of life"; indeed, the "Canadian way of life" is based, in part, on the admission of those who wish to be a part of that way of life. On the other side of the coin, newcomers have shown a desire to become part of that national life and, indeed, again it is the fulfilment of that desire which is another part of our "Canadian way of life."

Mr. Speaker, the only difference between what is happening now and what has been happening through the years is the circumstances that surround the migration; circumstances created by the special situation and the urgency, as I have pointed out.

There may be difficulties, but difficulties have never before "fazed" either the people of Canada or of Ontario, and that part which we may be called upon to do is not indeed beyond the realm of our possibility.

There is needed only the understanding and co-operation of all—all levels of government and citizens as groups and individuals and, of course, the refugees.

This can be a noble undertaking that we have been called upon to do as a nation, as a province, and as citizens.

That which we have achieved in Canada—freedom and security—we have not achieved because of individual self-interest alone. It is because we have acted on the premise that our own well-being depended on the well-being of our fellow men.

That principle, applied internationally, has given Canada the stature it possesses in the world, and, domestically, that principle has provided us with what we have at home.

The whole refugee problem has posed questions for each of us as Canadian citizens:

Do we believe that a blow for freedom against Communist oppression, by any-

one on his own behalf, is also struck on our behalf?

Who are our neighbours in distress? Are they the people next door, in the same city, in the same country, are they these alone, or are our neighbours also those who, although thousands of miles away, live in a world that can be spanned in less than 48 hours?

Do we believe that Canada (and Canada means ourselves and our children for generations to come) with its vast land area, its untapped resources, its great future, can achieve its destiny with the human resources we now have and no more?

I believe that the answer to these questions will guide each citizen's opinions in reference to the refugees.

Mr. Speaker, after my return to Toronto, I have had occasion to visit the West Lodge and the Barnardo Home reception centres. Last week I had occasion to visit the centre on Jarvis Street, and it was very heart-warming indeed to see some of the faces of the professors and students whom, only 6 weeks ago, I had met with and talked with in Strobl. There they were under the aegis of The Department of Education, huddled over their basic books, learning English as rapidly as they could.

I am hopeful—and I am sure it will be soon—of carrying on a conversation with them in the English language. There again we can look to something in the future, not only the benefit from the technical careers, but also for the leadership that they will provide; leadership in our community as a whole, and especially in that segment of the community which the people of Hungarian origin will form.

Integration is not an easy process; it is not a quick process. Adults take a little while. This particular group will, I feel sure, be integrated very rapidly, and I am hopeful that they, as young men and women, will be the catalyst which will enable the earlier integration of all.

I visited the West Lodge, and I congratulate the hon. Minister of Planning and Development and his Deputy Minister, and all his staff, on the tremendous and magnificent job that they did in making that reception centre what it is today.

I know the stress and strain and the rapidity with which they had to move, and it certainly is a tribute to the skills and abilities and talents of the members of that department, and of The Department of Public Works. I congratulate all the departments on what they have done. It was most gratifying when I returned to see and hear what volunteer agencies were doing, and the reports of the interest of many individuals was very inspiring. The endorsement by our trade union movement should be commended very highly. Certainly all those things and all those actions were exactly what others knew the people of Ontario would do.

As a citizen of the province, I thank the hon. Prime Minister for the action he took; as a member of the Legislature, I thank him for a tremendous experience.

May I close, Mr. Speaker, with the following: Not for a long time has there been the opportunity for all to put into practice the thought of those great words: "I was a stranger and ye took me in."

HON. W. M. NICKLE (Minister of Planning and Development): Mr. Speaker, as we know, the jurisdiction of immigration comes under the federal government, and it is within their powers, granted to them under the terms of The British North America Act, that they have the right to deal with this problem.

The immigrant who comes to our shore must then decide in which of the provinces in this great Dominion he chooses to live, and those who come to Ontario become our responsibility in trying to absorb them into our economy.

Having just heard the splendid speech delivered by the hon. member for Bellwoods (Mr. Yaremko), at this

time, I would like to go on record and say that there are no words at my command, that allow me to express thanks, as I would desire, to the hon. member for Bellwoods on behalf of the government and the people of Ontario for the magnificent job the hon. member did on our and their behalf in going to Vienna to see the conditions at first hand, and to bring back to us such a complete and outstanding report. Mr. Speaker, when history is written the name of Yaremko, in this great challenge and this great problem, will be a shining star in a wonderful cause.

To clear up what I might call the administrative end of this problem, may I say this:

On November 26th, I phoned the Agent-General for Ontario in London, England, and asked him to go to Vienna and give us a first-hand report in relation to the Hungarian refugee situation as he saw it. Like the hon. member for Bellwoods, I want to say at this time that the prompt and thorough report that we received from Major James Armstrong played a very important part in moulding our thinking as to what we should do in connection with this problem.

By December 5th we had available accommodation for 156 refugees; by December 15th we could handle 2,000, and by now 3,500. To date we have received 2,700 Hungarian refugees. Of these 2,306 have passed through our hands, and in the next two weeks we will have to receive another 400.

What the future has in store in connection with the Hungarian refugee situation is something I cannot at this time give an opinion on, except to say this: as the Russian guard at the Austrian border increases, then the fewer number of refugees we are going to get. It all depends on the strength of the guard as to how many people from this land of tyranny and fear are going to get into Austria and then into other parts of the free world.

It is true that, at the beginning, we had established some reception centres. One was in the old Mulock home on

Jarvis Street and the other at the Home of the Good Shepherd. Both were in a state of disrepair, and there is no hon. member in this House deserving of greater thanks on behalf of the Hungarian refugees than is the hon. Minister of Public Works (Mr. Cecile) who, on the shortest possible notice, made available to us all his trained personnel to paint and renovate those buildings and make them in a fit state of repair for immediate use.

Then, a word about the students from Sopron University. I would like to make this statement: at the request of the Ontario Mining Association and the University of Toronto, the hon. Prime Minister (Mr. L. M. Frost) made available on January 25th, Mulock House on Jarvis Street for the housing, until the summer, of the 108 students and staff of the Sopron University of Hungary.

The students between now and the summer will receive a concentrated course in our language, in preparation for entering the University of Toronto in the next term.

When this problem was before us, charged as I am with the responsibility of looking after immigration on the provincial level, I had to make some arrangements in reference to the establishing of a co-ordinating committee to make this thing work, and here and now I want to pay tribute to Col. John McCamus, the president of the Ontario Division of the Canadian Red Cross, who acted as chairman of this committee.

Col. McCamus surrounded himself with loyal and enthusiastic people from the Red Cross; he called in representatives from the ethnic groups, from all religious organizations; in relation to industry he had management and the hourly-paid employee on his staff, and, by and large, Colonel McCamus has done for this government and the people of Ontario a superb job, and I want to thank him publicly for his efforts.

We have done our best in connection with these new people, looking after

their welfare by having on the staff 14 registered nurses, and by doing everything possible to look after them as soon as they arrive here. We give them lessons in basic English as soon as possible.

Our equipment, such as beds and bedding, was made available to us through my colleague the federal hon. Minister of National Defence. To Mr. A. P. MacKinnon of the Royal York Hotel, I think I should also say thanks because when we did not know which way to turn for furniture he gave us all the surplus furniture from the hotel, and that fitted out the two reception centres on Jarvis Street and the Home of the Good Shepherd. To the Royal York Hotel and to Mr. MacKinnon we are deeply indebted.

One of the first things we must realize and take into consideration in connection with these "New Canadians" is this fact: the first of the refugees who came to Ontario had nothing in the line of clothing except what they stood in, and in relation to their other belongings, all that they had was in cardboard boxes tied with rope.

I was on hand the night the first lot arrived — and the hon. member for Bellwoods saw them leave for this province. It took some courage, Mr. Speaker, to pull up stakes and leave behind everything they owned and had accumulated, except their families, and start out for the new western world.

This is not the time to talk about dollars and maintenance for these people. This is the time to keep ever in the forefront that we are dealing with human beings who look to the western world as a beacon of hope and a new way of life. That is the paramount problem, and nothing else matters.

My department has had some criticism, perhaps, in relation to the employment of these refugees in the way of what might be called a "square peg in a round hole." We have had our problems, but, on the other hand, I say, it is better to give a man employment—employment, perhaps, that he has not really wished to have—so that he may have a

pay envelope to take home his earnings to his wife and family, rather than have no pay at all. I think that is the proper way to approach this situation.

Mr. Speaker, the Hungarian refugees have gone into, among other municipalities, Sudbury, Cochrane, Port Arthur, Fort William, London, Windsor, Kingston, Cornwall, Ottawa, Toronto and Barrie. There have been some suggestions that perhaps at the base there has not been the proper screening of all who have come to this province to settle. There have been murmurs that among the refugees there may be some Communists.

My view is this, that the people who have come from Hungary to the province of Ontario have seen sufficient of the Communistic doctrine that we will have no reason to worry about their allegiance to this flag in this country in the years that lie ahead.

When the first lot came to our shores by the airlift, the first welcome they got on behalf of the hon. Prime Minister and this government was from myself. That night, I told them they were welcome to the land of the free, and I saw that each one was given a picture of Her Gracious Majesty Queen Elizabeth II, and I said, "As the years roll by may you be naturalized, and the lady whom we call our queen will be your queen, the allegiance we owe her you will give her, and there will be a solid union in relation to the throne in the years that lie ahead."

I am perfectly satisfied that those people who have come to our shores will have a respect for the administration of justice which is the cornerstone of democracy. I am satisfied that they are glad to be away from the doctrine and the policy of Khrushchev who, according to the newspaper, believes that law should be enforced with the tank, machine gun, rifle and the bayonet.

These people are going to understand and appreciate that, in the western world, there is a government in which they have some say, a government of the people, for the people, and by the people. It seems to me, and I want to

make this statement as part of the record, that the human understanding of this great venture; the sound judgment in reference to this great humanitarian challenge as set forth by the hon. Prime Minister of this province, is a thing for which we should all be grateful. He has given outstanding leadership in this matter. Let me go further: as the challenge was created, when the pressure was on, no man could have taken his office more seriously and no one could have taken himself less seriously. That is a tribute I make to the hon. Prime Minister of the province in connection with this challenge.

Finally, let me say that the hon. member for Bellwoods has seen the situation in Europe; I speak of it as an administrative problem. Mr. Speaker, being a man of the cloth yourself, I take some comfort from Proverbs, the 29th chapter, where we find these words: "Where there is no vision, the people perish."

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, the hon. member for Bellwoods (Mr. Yaremko) this afternoon has re-told the heroic story of the Hungarian people in a great episode in their history. These people had only one desire, and that was to be free of oppression and free from the Communist yoke, and the weapons with which they fought the enemy were just their hands, just those weapons and very little else.

They had within them a burning desire to overthrow that sort of dynasty which had fastened itself upon their country and which in their considered judgment was an evil thing that should be removed; even if it cost them their lives, they were prepared to give their lives if by giving them they could redeem for their country the freedom which they yearned for, that that country once had and which they hoped would have again.

I listened to the hon. member for Bellwoods say that people from Latvia and other countries have undergone similar treatment for similar episodes in their fight for freedom. I shall never forget a couple a weeks ago when I had the opportunity of being a guest at a

meeting in the village of Dundalk in my riding. The meeting was called by people who had come to this country from Latvia, and who had made their homes in the vicinity of Dundalk, in that particular area of the south end of my riding.

They gave us the impression, as the hon. member did this afternoon, that what they went through in getting out of their country could hardly be believed by those of us who live in Canada, in a place of comparative safety and security.

I remember one gentleman speaking, who is now a third year student at the Ontario Veterinary College, and he said when they came over here, one pocket was empty and there was nothing in the other. They certainly have to start their lives afresh, and what they go through can hardly be realized by those of us who have never had to root ourselves apart from our home life in this country. It must be a terrific wrench for those people to leave all that they hold dear and come to a far-away land. They loved their country greatly, but they loved their freedom more, and for freedom they were willing for the time being to give up their country and to find that freedom they could not find at home in a far-away land of their choosing.

I just want to say that I believe the federal government which, as the hon. Minister of Planning and Development (Mr. Nickle) has said, is charged primarily with the job of bringing immigrants into this country, I believe sincerely that they have done, all the circumstances considered, a remarkably fine job in this particular venture.

I believe also that the Ontario government has played its full part, and its proper role in assisting and co-operating with the federal government and in making available in this province places in which these people could live, and the assurance, and I believe this government meant it, the assurance that all that could be done would be done to get them employment in their new land. Also, I believe that not only in respect to Hungarians but in respect to Latvians and others who will be coming to our

country, that we in Canada have much to gain because of the fact that they are now amongst us, they bring with them perhaps nothing in one pocket and very little in the other, but they bring with them something of their customs, something of their traditions, something of the culture of the country in which they lived. When they blend that culture with ours here in Canada it cannot help but have a good effect, and make a lasting impression for good on the people of Canada and on the country as a whole.

Personally, I cannot see any reason why these people coming to Ontario or to other parts of Canada should lose the old to grasp the new in its entirety. I cannot see why they cannot retain much of the culture of their own country, blended with the culture we have here, and out of that recipe get a real Canadian citizenship and a real Canadian culture.

I have not any criticism to offer of the manner in which the federal government or the provincial government of Ontario have moved to meet their obvious duty in this particular situation.

MR. D. C. MacDONALD (York South): Mr. Speaker, at the outset I want to commend the hon. Prime Minister (Mr. L. M. Frost) for scheduling the kind of debate that we are having this afternoon, following the report of the hon. member for Bellwoods (Mr. Yaremko).

I think this represents something of a change because, if my information is correct, in the past there has been a tendency to exclude discussions of topics that may have appeared to be wandering far afield from strictly provincial affairs such as this one.

Undoubtedly, if we are going to attend to the business which is our first concern, we cannot be doing this every day, but it seems to me that it is possible to escape from what might be a more parochial approach to these problems, and deal with some of them that do have an impact very directly upon the life of the province of Ontario. Certainly the instance of the Hungarian refugee prob-

lem has rather dramatically indicated, in this instance at least, how the topic of provincial affairs can be extended beyond the boundaries of Ontario, indeed, across the seas and into the camps where you have this desperate human problem in Austria.

The hon. member for Bellwoods, in his detailed account of the kind of machinery which has been established to cope with this problem, underlined, I think, one of the main points which the hon. Prime Minister made in his announcement of this debate last Thursday or Friday. This is that the Hungarian problem is our problem. I think, Mr. Speaker, we have to recognize that events in the world today are being shaped by two gigantic struggles; one of these struggles is a struggle between the African-Asian section of the world which represents two-thirds of the human family, and the western world. This is a struggle which has many rather desperate and saddening aspects to it; a struggle in which, if we do not recognize the legitimate rights of these people, I think is going to bring consequences to us which we will live to regret.

The other great event which is shaping the course of history today is this gigantic struggle between the free democratic world and totalitarian Communism. In this struggle, Hungary has taken a place which is going to be an honoured place throughout all history. For as long as the history of free men is written and re-written, this chapter which has been placed in the books in the last 3 or 4 months is going to be one of the most shining chapters.

Here we had an instance of a people—as the hon. member for Bellwoods has indicated—a people who were leaderless, who were unorganized, and yet because of a passionate attachment to freedom, a passionate attachment that became all the greater despite the propaganda to which they had been subjected, in the Communist regime, a people who with their bare hands and little more, were able to challenge three equipped Soviet divisions, to invoke the disaffection of at least the major portion of at least one of

those divisions, and to defeat the other two.

Surely a remarkable feat, and when that triumph had been achieved, they were able to contend, at least for a number of days, with the blood bath as another 14 or 15 divisions were sent in from Soviet Russia, in order to crush the revolt. Fifteen divisions and 5,000 tanks, and after the blood bath which ended that chapter in the story, the struggle still went on. It went on because these people were determined—and it is interesting to note where the centre of the struggle continued—it continued with the working people, in the workers' councils, those in the trade unions whom some people believe are the victims of Communist propaganda. It was the workers who carried on that struggle in a general strike which, in some forms, is even now continuing in Hungary.

When after weeks—the days had grown into weeks—these people were starving, it was the peasants who brought the food in and gave it free to the strikers, so they might survive. This kind of unanimity among the people who are dedicated to freedom in a fashion is, I think, one of the most heart-warming events in human history.

Anna Kethly, who is the leader of the Social Democratic party in Hungary, was a member of the Imre Nagy government in those few ill-fated days it was in existence. She is a woman who has been for two generations a towering champion of freedom against dictatorship whether it was of the fascist, pseudo-fascist or Communist nature. Anna Kethly has summed up what happened in Hungary with the comment that the revolt in Hungary in 1956 provided an ironic footnote to the Communist Manifesto of 1848, because it showed that the workers of Hungary had nothing to lose but their chains.

This is our struggle—that is the whole import, and I think quite rightly so, of what the hon. Prime Minister and what the hon. member for Bellwoods have said. It is our struggle, yet we found there was very little we could do. All that is asked of us, indeed, of the whole

western world, sitting on the sidelines with a sense of growing frustration of what we might do to help, is to alleviate the suffering, to take these heroes, these refugees, and give them a new chance, a new life.

Incidentally, Mr. Speaker, in doing this we are at the same time meeting a very desperate and urgent need for skilled manpower, which is one of the main problems which we are facing today.

If I may be forgiven for just one moment — a personal observation — I have difficulty in not speaking feelingly about this matter, because just before Christmas, we took into our home an 18-year-old lad, a Hungarian, who had shared, I think in, a relatively modest way, in the whole revolt. He had, along with tens of thousands of other young Hungarians, been on Budapest Square at the time of the symbolic triumph when they tore down the statue of Stalin.

He faced the alternative of slavery or even death through deportation to Siberia, or of coming to Canada. In the way that the hon. member for Bellwoods has described, he decided he was going to come to Canada.

So far as we are concerned, it is impossible to conceive of a more congenial kind of experience of a newcomer coming from a different land, with different customs, yet fitting into a Canadian home with absolutely no difficulty at all, with all the respect and consideration you would expect of a member of the family; and, in fact, as in most families, I suspect, with a bit more.

This young man, I think, may be rather typical, yet one has unhappy reactions with regard to some of those immigrants.

I think it is well to remember that this young man came out and started, as many of them are willing to do, at an unskilled job, although he has a skill; and the interesting thing is that less than 6 or 8 weeks have passed, and yet this morning he started out on a job in which his particular skill is going to

make a contribution, and a needed contribution, to Canada—a job, incidentally, which he found for himself. He was helped in getting the first one, but he found the second one himself.

Mr. Speaker, I think that out of this whole experience, there are a number of lessons — there are a number of problems. If I had one regret in this debate this afternoon, it is that none of these problems have been touched upon, and surely now is the occasion, with this rather dramatic illustration of them, that we should deal with them.

I think one of the sets of problems that has emerged out of this experience are some of those derived from our immigration policy in this country.

I must confess that I cannot be so completely happy with the situation as the hon. Leader of the Opposition (Mr. Oliver) has just indicated. I concede that immigration, as the hon. Minister has indicated, is primarily a federal responsibility; but immigration, for many reasons—not the least of which is that more than half of the immigrants are coming to the province of Ontario—obviously touches very intimately upon the life of this province.

Sometimes I wonder if the intent of the immigration policy of this country today is not simply to raid the working forces of the continent of Europe, and to leave with the countries in the continent of Europe the maimed, the sick and the aged as their problem. Mr. Speaker, how long do we in the North American continent think we are going to be able to pursue that kind of immigration policy?

For example, one would be led to believe by some news stories that the policy adopted with regard to the Hungarian refugees was not a selective one—that they took everyone because we had this desperate, human problem of people crammed into the camps that the hon. member for Bellwoods has described so graphically this afternoon.

But here I have, for example, the *Financial Post* of December 8th, giving an account of this whole immigration

and refugee problem, and, of the response from Canada, and here is a paragraph:

Contrary to general belief, the refugees coming to Canada are not a cross-section of the Hungarian population, young, old, sick and healthy; they are selected on the basis of their fast work and reputation.

I remember, for example, picking up on January 15th the *Toronto Telegram*, and reading a story which, I think, is only one of dozens of stories which graphically illustrate this kind of policy and which, I suggest, we cannot continue for very much longer without some rather serious consequences.

It is a story headed "Bar Family Because of a Boy." It is the story of a family that wanted to come to Canada because of the fact that a couple of brothers of the father lived in Brantford and in Hamilton. There were two or three children—I have forgotten the details of the story—but one of the children happened to be an epileptic child, so the bar was down. On the day on which the announcement came to these people that they could not come to Canada, the mother of the family, who was expecting another child, took an overdose of pills in an attempt to commit suicide.

This family was barred in spite of the fact that the brother who lived in Brantford had agreed to adopt the epileptic child. Here is a family with a father who has a contribution to make in skills, and with young children who could make their place in this country, yet they are being barred because there happens to be one member of the family suffering the misfortune of epilepsy.

Now, surely it is a little inhuman—in fact, I sometimes wonder if one of the basic principles of our immigration policy is not a calculated inhumanity—that the tragedy of a human family which happens to have an epileptic child should be compounded by a refusal to permit them to escape from the conditions that they were living in in that camp in Austria. Surely we, with every-

thing that we have in this country, are going to be able to cope with the problem of servicing and meeting the needs of one more child with this kind of affliction.

HON. W. M. NICKLE (Minister of Planning and Development): Mr. Speaker, I can give you the opposite to this reference to the epileptic youngster. We have a case where a family came in with a little girl who was blind. That made no difference. We accepted the family. We have accepted the blind youngster. We are arranging for her to learn to read and write with the Braille system. So far as I know, at the provincial level of government, no man, woman or child—certainly child—has been a stumbling block to our accepting the family.

MR. MacDONALD: Mr. Speaker, I should be interested to know whether that is the exception to the rule. I should be interested to know whether the case of the Veres family —

HON. MR. NICKLE: I can only just tell you that on the provincial level.

HON. MR. FROST: Mr. Speaker, I think the hon. member is referring to the immigration policy generally, and not to the Hungarian matter.

MR. MacDONALD: The basic point, Mr. Speaker—and certainly it is in part a provincial matter, which I shall come to in a moment—the basic point is that countries like the United Kingdom, France, the Scandinavian countries, faced with the kind of situation you have had in Europe since the end of the war, with tens of thousands of people who are rotting away their lives in camps and who can't get out of these camps—these countries are taking their share.

We in Canada, as a general policy, are refusing to take our share of it. For example, the hon. member for Bellwoods pays tribute to the generosity of Austria—a little country of 10 million people, in accepting tens of thousands of people;

in fact, at the present time, there are 160,000 of them in Austria—according to some figures I think I heard in a broadcast yesterday—waiting to get out.

Let us remember this, that in the first wave of refugees that came into Austria after the Second World War, there are today in Austria a residue of 30,000 which the western world to its shame wouldn't take; unemployables, sick, maimed, aged. The remarkable thing about the country of Austria is not that it is doing so again, and doing it with almost an incredible degree of generosity, but that it is doing so when it has 30,000 of a residue of the last wave of refugees still in their country.

I think that is the kind of thing—I repeat, Mr. Speaker—which should put to shame the North American continent which has the most to offer.

Now, I am not suggesting that we should go hog wild over this proposition, and take tens of thousands of these people, but at least it would be a sort of a Christian gesture, if I might put it on that basis, that we should take our share—

MR. WHICHER: How many?

MR. MacDONALD: I am not going to set a figure. We are taking virtually none at the moment, and there is a long way from none to some sort of figure.

If I may bring this down strictly within the confines of provincial responsibility, Mr. Speaker, I think there are a couple of suggestions that I would like to have the government consider in this connection.

One of the reasons why a good many of these people are not able to get into this country is because of the fact that they can't meet medical requirements regarding a tubercular condition. If the tubercular condition hasn't been inactive for a two-year period they are barred; or if there is any doubt about it Ottawa, with this evasion of responsibility in connection with this kind of affair, will say: "We will admit this person if the provincial government is willing to give clearance on it." Because if they become a public charge then the provincial gov-

ernment has to meet it through one of our T.B. sanatoria.

In some instances—I know this because I have had the experience of taking it up with the hon. Minister of Health (Mr. Phillips)—the province of Ontario has let a few of these people in. But I want to suggest this, Mr. Speaker, that if the government believes that this is a cause of humanity and that we should try to fulfil the humane aspect of it, is there any reason why this government cannot take the lead—if for no other reason than to shame the government in Ottawa to take some of these ill-fortuned people who are living in these camps, not only with some incapacitated Hungarian refugees, but other refugees since the end of the Second World War—and permit them to come into this country when we have got facilities to meet their needs?

I understand, for example, that our sanatoria at the moment aren't overcrowded, that we could take some; and that, for example, as I know is the case in at least one or two instances that have been drawn to my attention, the family that is trying to bring these people out is willing to take financial responsibility—they are willing to post a bond as demanded by The Department of Health. If they are willing to do that, it seems to me that it is an opportunity for the provincial government to move, and to express some of the humanity which we say is the motive of our policy, and perhaps—I repeat—be able to shame the federal government into a somewhat more humane policy than is the case at the present time.

Now, Mr. Speaker, the second problem that has emerged out of this experience, which I want to raise at the moment, is this—and I think this is something that we must drag right out into the open, because this is the sort of skeleton in the cupboard, so to speak, on this whole problem at the moment. We have today a growing animosity to the prospect of a great number of people coming into this country. It is an undercurrent that is to be found in every walk of life, in every group.

I don't think we can ignore it; and, Mr. Speaker, I would add I don't think we can merely deplore it and quietly hide it, like sweeping the dust under the carpet and forgetting about it until another day.

What are the reasons for this? I think we must look at the basic reason for it—why there is the animosity. Whether it is growing or not may be a personal opinion.

The first reason we have it is because of what, to my mind, is one of the most distressing things about my fellow human beings, and that is the widespread disease of racial prejudice. Once again, something which is to be found in every group—yes, Mr. Speaker, in every church—because one of the most discouraging things is to meet a person who may be a pillar in his church, who may go on the week ends and pay lip-service to the principles of Christianity—and yet the next day who will be spewing this poison of racial prejudice and not recognizing that it is in violation of all the high principles to which he is paying lip-service. Don't let us for one moment forget that this is rife in every group, even including our government.

We had an incident a year or so ago when a very top official of the hon. Attorney-General's Department made a comment with regard to New Canadians—a comment, which, I think, could be described only as having, at least in part, a basis of racial prejudice with regard to New Canadians. Give the man credit—as I have already done in this House—he recognized, and acknowledged, his error in claiming that these New Canadians were responsible for something like 90 per cent. of the murders in this country.

But the interesting thing is this, Mr. Speaker, that between the time he made the statement and the time he indicated and acknowledged that he was in error, one of the local newspapers conducted a survey that went down through almost every level of justice in court—speaking to court officials—even down to the Don Jail, and every one of them agreed with the statement.

Now, we found out afterwards that the statement was erroneous, and it was acknowledged as such. But what about that basic prejudice revealed in the meantime all down through our court structure?

If I may go one step further—because I think this is something of which this House should take cognizance—to show how widespread is this problem of racial prejudice which is producing the animosity at the present time towards newcomers to this country. During the past year, one of the officials whose work takes him all across this province—an official of The Department of Education—was reported as speaking to a little meeting in, I believe it was Ayr, in western Ontario, and this is what he said:

This is the day when the lower races, yellow, black and red, do not know their place under the white man, the first cousin of God Almighty. These races are being played upon by the political strings of democracy and Communism.

Now, sir, for very obvious reasons, that produced a bit of a storm, and the hon. Minister made a public statement to the effect that these were not the views of the department and that it was a slip of the tongue. Well, Mr. Speaker, all I can say is that it is the longest slip of the tongue in history. But it does reveal the ramifications of this problem of racial prejudice.

How are we going to meet it? I suspect the answer lies only in a long-term problem in education. If I really had any other solution than that, I think I might have one of the answers to one of the real problems that we face at the present time.

But the point I want to move on to, Mr. Speaker, is this, that apart from this basic reason of racial prejudice which is creating an animosity towards New Canadians today, there is another one—and this is, perhaps, even more important, because we can do something about it. That is the basic economic factors which condition the thinking of our people and result in this animosity.

Perhaps I can illustrate the point I have in mind by referring to an editorial which appeared in the *Globe and Mail* the other day. The *Globe and Mail* over the last two or three months has perhaps done more than any other paper in terms of giving leadership, commendable leadership, in creating a generous kind of attitude towards these New Canadians.

Yet, the incredible thing, Mr. Speaker, is that in the last two or three weeks, this whole effort of the *Globe and Mail*, has now deteriorated, at least in part, into the berating of trade unions because of the fact that in the ranks of trade unions, as in the ranks of every organization of today, there is a minority which is opposed and which is expressing that opposition.

The result was that the *Globe and Mail* came out with an editorial on February 1st in which they, with a strange illogic, talked on one hand about one of the great virtues of a trade union being the freedom of the individual members to hold whatever view they pleased; and on the other hand they concluded with the thought that "We would like to hear labour speak with one voice."

A strange logic, but a logic in which it seems that the *Globe and Mail*—and this is true of others, too—is willing to foul its own high purpose by exaggerating the division existing in trade union ranks. The *Globe and Mail* now seems to be more interested in exploiting this difference among unionists, instead of working with the majority view — because undoubtedly the majority trade union view is to welcome these people, to welcome immigration into this country.

I said a moment ago, Mr. Speaker, that in any group you want to pick today, you will find that you have this division between the majority and the minority views, some of them being opposed, and I think it is very interesting for a moment just to pause and examine why, for example, the industrialists of this nation, the Chamber of Commerce, the Canadian Manufac-

turers' Association want immigration. There is no doubt as to why they want immigration. They have always wanted immigration, because it has provided them with a pool of cheap labour. They now want it because it also may meet some of the shortage of skills.

I can also remind you of a famous case that was given a good deal of consideration in the House of Commons about 6 or 8 years ago, of a Liberal M.P. from the province of Quebec, who happened to be a textile manufacturer. It was discovered he had gone over and brought in scores of girls from Poland to work in his factory, girls who were brought over and indentured until they had paid for their transportation. Somebody did a survey a year later and found out that every one of these girls left as soon as they had paid off their obligation. What he wanted to do was exploit these New Canadians.

We have in this province of Ontario today a situation that has been discussed in this House—of gold mining management in Ontario, who, because they have maintained for years sub-standard wages — a fact acknowledged by the royal commission looking into the gold mining industry — now are forced as their experienced miners leave and go to Manitouwadge or go to the uranium fields west of Sudbury, to fill their working force with newcomers. So they are anxious to bring in people who they hope they will be able to get at a cheaper rate of labour.

Among the reasons for these animosities consider this: we have tens of thousands of people across this province who are looking for housing, housing that may be within their budgets, and who have not been able to get that housing; in fact, housing is getting further and further beyond their means. These people find, in trying to find the home they need or to get a home that is not going to take 30 or 40 per cent. of their income, that they are now in competition with these New Canadians. Very naturally there is going to be an animosity.

Take for instance some of our old-age pensioners. I have heard two or three of the hon. members talking about going in with groups of old-age pensioners and finding an almost solid unanimity against immigrants. Why?

For a very understandable reason. If our governments, provincial and federal, have failed to put pensions on a level in keeping with the rising cost of living, if our governments have failed to give these people what we talk about so much—a just share in this great and growing prosperity in this country—surely they are going to give way to the very natural reaction, as they face the daily struggle, of asking why should government be neglecting their needs while meeting the needs of other people?

This is the kind of thing that happens on many occasions—a dramatic revelation of human need, followed by a government's willingness to meet that need on a short-term basis. But they are not willing to meet it on a permanent basis. They are not willing to go out and shape an economic and a social order which will meet the needs of these newcomers and of our own people all the time, so as not to create the divisions and the animosities.

Mr. Speaker, in conclusion I just want to say this, that what we need in this nation is immigration, but we need it by a planned immigration policy, and a planned immigration policy is impossible if it is not part and parcel of a planned economic development. When we have governments which are going to build enough low rental homes instead of the record of this government on low rental homes, for example, so that we can meet the needs of these newcomers and the people who have been here for quite some time; when we have governments that keep pension levels in keeping with the great and growing prosperity of this country; when we have governments whose attitude towards employment—because don't forget the people who are going to suffer are the working class, if we have unemployment; they are going to be the first victims—when we have

governments who in the past have revealed a monumental insensitivity to the problems of the unemployed and who are now, as they were back in the thirties, evading facing up to the responsibilities of unemployment relief—as long as we have governments like that, we are going to create the basic frictions which result today in an animosity towards immigrants coming into this country.

The dilemma, of course, Mr. Speaker, is a dilemma which I don't know how either the government here or the government in Ottawa is going to solve, and that as a professedly free enterprise government it is in violation of its philosophy to have a planned economic development and therefore a planned immigration policy—

HON. MR. FROST: Mr. Speaker, I thought those fellows turned to a free enterprise in Winnipeg, didn't they?

MR. MacDONALD: Oh, no, we didn't. Some time I will send the hon. Prime Minister a copy of that declaration of principles, and perhaps, if he reads the original, he will discover what we really do believe.

MR. GRAHAM: Mr. Speaker, I wonder if the hon. member for York South would care to, or be prepared to, withdraw his statement from the record that racial prejudice exists or is practiced in the churches of Canada?

MR. MacDONALD: Mr. Speaker, this is an interesting attempt, surely, to pervert what I said: I said that in every church you will find people who pay lip-service to the high principles of Christianity, yet who will not condone, if they live up to those principles, racial prejudice, and yet they will leave the church on Monday morning and you will hear them uttering statements that are indicative of just how deep-seated is this disease, this virus, of racial prejudice. But, please, Mr. Speaker, with respect may I ask the hon. member not to pervert what I have said. I said there are people in every church—individuals.

MR. GRAHAM: Mr. Speaker, I am not perverting. I wanted the hon. member to clarify his statement which apparently he has done by denying his former statement.

MR. R. E. ELLIOTT (Hamilton East): Mr. Speaker, I wonder if the hon. Minister of Planning and Development (Mr. Nickle) would permit a question? I was very much impressed both with his remarks and those of the hon. member for Bellwoods (Mr. Yaremko). The hon. Minister mentioned many of the cities and places where these new people were going, and I have reference not only to the Hungarians but to all refugees, including those from Great Britain and the British Isles. We have some wonderful farming country in Ontario, and I know that many of these people must be coming from farm districts; they must be farmers, and I would be interested in knowing just what percentage would be farm people. I would like to know what provision, if any, or what steps we are taking, to give these new people an opportunity to get out into the small towns and villages and rural sections of our province?

MR. NICKLE: Mr. Speaker, I would answer my hon. friend in this way, that in the ordinary course of events, in relation to immigration, we have notice of the vocation of the immigrant whom we are about to receive, but in this particular challenge where the human being is more important than the screening, we take whoever comes to Ontario and try to absorb them into our economy as best we can, having regard to their choice of employment.

The hon. member asked for a percentage of the people who were going on the farms: that I cannot give him, but I do say this, that we have a cross-section of good people, some of whom are going on the farms, and the best information we have is that this year we will be receiving from the United Kingdom a great number of people who want to go on the farms.

I say to my hon. friend, immigration is a fluid matter; it fluctuates. When I am asked percentage-wise I cannot give it, but I will tell him this, that we are absorbing very quickly into our economy the immigrants whom we get, and generally speaking they are satisfied where they are employed.

MR. A. GROSSMAN (St. Andrew): Mr. Speaker, I planned on making some comment on the Hungarian escapee programme during the debate on the Speech from the Throne, but in view of the fact that certain questions have been raised here I thought that, particularly in view of the fact that a special aspect of this has not been mentioned at all, or if it has been mentioned it was in such general terms that I think it needs clarification, I should take this opportunity to make some comment on it.

In the first place, I was rather disappointed, as I followed the hon. member for York South (Mr. MacDonald). I agreed with him to a great extent until he asked, after talking about this question of discrimination, what we could do about people who feel that immigrants are something, and that immigration is something, we should not sponsor and so on.

The hon. member made a statement which probably will make headlines and which probably will in itself help create the situation he seems to be abhorring, and that is by bringing in a certain amount of class warfare. He suggests, for example, that the industrialists want immigration because they want cheap labour. That in itself, of course, will lend itself, Mr. Speaker, to encourage those who oppose immigration, giving them a good argument to say, "Well, of course, they just want cheap labour, we don't want immigrants into this country for that reason." I think that would have been better left unsaid, with all due respect, Mr. Speaker.

Suggesting that we should have planned immigration; well, those are very wonderful words too, but if we were following actually what the hon. member suggests as a programme of

planned immigration we would not have been able to do anything about the situation with respect to the Hungarian programme which hit us in a hurry and which was taken advantage of, and something was done about it in a hurry. Certainly it was not planned. It was the most unplanned thing in the world, and yet very successful.

I want to add my words of commendation to the federal government and to this government, and particularly to the hon. Prime Minister (Mr. Frost) and the hon. Minister of Planning and Development (Mr. Nickle) and to the hon. member for Bellwoods (Mr. Yaremko) for the wonderful job they have been doing, and the interest they have taken in this programme.

With regard to the attitude of our hon. Prime Minister, Mr. Speaker, I do not say this with any spirit of fawning upon the leader of the government. I say in all sincerity that this is such a shining example, something so unprecedented, that he has made a mark for himself in that respect which will be recorded for future historians. Without regard for anything else he may have done in his entire career, this will stand out as a shining example.

Now, I just hope that this is a precedent for the future. I hope this is the dawn of a new era respecting victims of tyranny and persecution. I hope it means there is a new spirit abroad. One cannot help but contrast this with past indifference and the hon. member for York South did mention this in passing.

I cannot help but think of how indifferent governments have been in the past to the sufferings of people in other lands. One could be very bitter in looking backward and thinking about how many people have died horrible deaths because governments were indifferent to their plight.

One vivid example which comes to my mind; I think it was 1942 or 1943 and it was one example of many; a ship loaded with refugees, I think some 800 on board, went from port to port and were refused admission in spite of the fact that the captain of the ship had

wirelessed all these ports of entry that the ship was unseaworthy and would eventually go down. They were not allowed to land these men, women and children who were packing the boat to the gunwales. They were refused permission to land and eventually 800 of them went down to a watery grave.

That is how indifferent people have been in the past to their brothers merely because they were out of their sight. I hope it is an entirely new policy, a new attitude which governments, officials and people generally are going to take with respect to their brothers no matter where they may be in the world.

However, one must not look back except for experience. We must look forward and hope, as I say, that this means a new spirit which will permeate all official circles all over the world.

For example, I would like to see some programme extended along these lines to refugees from Egypt, and from North Africa. It may be of interest to this House that one of the reasons for the establishment of the State of Israel was the fact that hundreds of thousands of refugees were refused admission to practically every country in the world, and finally those few Jews who were in Palestine said at the time: "If no one will help these people, we will help them ourselves." That, incidentally, actually was the reason for the establishment of that state.

Incidentally, too, those who fear about a country like Canada being able to absorb hundreds upon thousands of immigrants should be informed along these lines with respect to that little State of Israel. They take refugees regardless of their health, and one of the reasons for the precarious state of the economy of that tiny state is because they will take in, for example, thousands of refugees from North Africa; from the gutters of North Africa. Ninety-five per cent. of such refugees have never even seen running water from a tap, and have never seen a bed, not for 10 or 20 years but for generations. They will bring in a family with 10 people, of whom perhaps one might be productive and the

other 9 in some instances have to be put in hospitals. Sometimes they are tiny children who must be educated and so on.

This is a burden which a tiny state is handling, so there is no reason why Canada cannot handle hundreds of thousands of immigrants from all over the world. I would like to see this policy extended in that direction.

I cannot see any reason why we cannot help those people who wish to come from the British Isles. I do not see why we cannot handle a million of them. These people have shown their intention of emigrating to Canada, and I would like to see us give them some assistance, perhaps to the extent of assisted passage if nothing else. It would be a great help to the United Kingdom and a great help to Canada. Our country and our economy can absorb them.

Now, I have had some personal experience with this Hungarian escapee programme. Due to my association with an immigrant aid service, I have been in and out of the hostels dozens of times in the last few weeks. I am closely associated with the work that is being done there.

One thing that has not been mentioned here is that this programme brings these people to Canada and essentially (aside from some assistance given by The Department of Immigration and The Department of Labour), once they get here, most of this work is left in the hands of private agencies and they are doing a wonderful job. The regulation, which at the moment incidentally is unwritten and has been passed along only by word of mouth, is that they will stay in the hostel until a job is found for at least one member of the family. But, in the meantime, when that job is found by whomever it is, whether it be by a private agency or a government agency, some agency generally finds housing for that family—some place where there is furniture for them. It will see that in many instances they have some pocket money, see that arrangements are made for some food and so on, until they get settled.

Now, there must be agencies for this, and this is all done by the voluntary agencies to a great extent—agencies like the Catholic Immigration Bureau, the Jewish Immigrant Aid Services, the Council of Churches, the Hungarian Federation, the Red Cross, the YMCA, the International Institute, the Welfare Council, and the Local Council of Women. I hope I have not forgotten some of them. I probably have.

But, the actual spade work, once these people get here, I am sure the hon. Minister of Planning and Development will agree, is done by these people after the immigrants arrive and are put in the hostels. These agencies are looking after these people and doing a wonderful job, and I would like to pay them due credit here today.

I do not wish, Mr. Speaker, to say anything which may be considered as criticism, because there are enough people finding a lot of picayune reasons as to why this immigration policy is not a good one. I would merely like to make what I consider is a constructive suggestion, and that is that we should have a greatly expanded integration programme beginning with the staging areas in Austria and to at least the first year of residence here in Canada, with emphasis on education in our democratic way of life.

Now, I know that there is already some programme of that nature, but I would like to see it greatly expanded. I know personally of some small remnants of fascist and Communist groups, domestic ones, which are attempting to perpetuate old hatreds and cleavages among some of these immigrants. Therefore, I would like to see this programme of education extended, and some concentrated effort to make sure that these people are not being left to take up any of this poisonous propaganda that is being put out by these small groups.

As a matter of fact, I would also like to see the RCMP and the local police agencies concentrate on curbing the activities of these small domestic groups. Remember, Mr. Speaker,

what I am saying is not that these groups are those of immigrants. These are groups of people who are already in Canada and have to a great extent become citizens in the past or are native Canadians. Nevertheless they are attempting to create cleavages, and something should be done about it.

Also I would like to warn those agencies that many refugees, and, I am sure the hon. member for Bellwoods will bear me out, are already receiving letters in reply to letters they have sent home. In nearly every instance, these letters from their families in Hungary give them an allegedly good reason why they should return; in the instance of a son coming here, his father or mother sends him a letter stating: "We cannot get along without you, we need you here, come home."

Quite obviously, this is all done under the eyes of a censor who will not let a letter go through at all without this sort of propaganda.

I hope some recognition is given to that problem, so that when these people are being talked to at the immigration or educational programme centres, they are told the motivation behind this. We also have one of these people living in our home and I have had experience with these letters they are getting and it is rather general amongst this lady's friends.

If I may recapitulate, Mr. Speaker, this Hungarian refugee programme is a good one. This is going to have good, practical results for this country.

There are many mistakes being made of course, but the speed which was required, the manner in which the challenge was accepted does credit to every one concerned with it. It is also a good humane programme, which is most important, and I think we should ignore the criticisms of some of the people of petty minds who will criticize anything in the nature of immigration. I think that we should be stronger in our efforts, our integration effort, our educational programme amongst these people. If I might add, too, Mr. Speaker, we are in—I say this again with all due respect—we are in the eleventh hour, we either think of these people as our brothers—well, if I may put it this way, it is either bombs or brotherhood.

HON. D. PORTER (Provincial Treasurer): Mr. Speaker, before the adjournment of the House I would remind the hon. members that tomorrow we will go on with the debate on the amendment to the motion in reply to the Speech from the Throne and I assume that the hon. Leader of the Opposition (Mr. Oliver) is fully prepared.

MR. OLIVER: Ready.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5.35 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, February 5, 1957

THE QUEEN'S PRINTER
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1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

TUESDAY, FEBRUARY 5, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

Presenting petitions.

Reading and receiving petitions.

CLERK OF THE HOUSE: The following petitions have been received:

Of the Corporation of Sacred Heart College of Sudbury praying that an Act may pass changing its name to the University of Sudbury.

Of the Corporation of the City of Sault Ste. Marie praying that an Act may pass empowering the corporation to establish by by-law the Sault Ste. Marie Transportation Commission.

Presenting reports by committees.

MR. S. L. HALL (Halton): Mr. Speaker, I beg leave to present the first report of the standing committee on standing orders and move its adoption.

CLERK OF THE HOUSE: Mr. Hall, from the standing committee on standing orders, presented the committee's first report which was read as follows and adopted:

Your committee has carefully examined the following petitions and finds the notices, as published in each case, sufficient:

Petition of James Russell, Esquire, praying that an Act may pass respecting part of lot No. 23 in concession No. 3 for the township of Grantham, county of Lincoln.

Petition of the Corporation of National Organization of the New Apostolic Church of North America praying that an Act may pass authorizing the corporation to hold lands in Ontario.

Petition of the trustees of Erin Fifth Line Union Church praying that an Act may pass authorizing the trustees to convey the church and land thereof to the trustees of Erin Fifth Line Union Cemetery, free of trusts.

Petition of the Corporation of the County of York praying that an Act may pass authorizing a by-law without the approval of the Ontario Municipal Board to borrow a sum not exceeding \$420,000 upon debentures, to meet expenditures on county roads incurred in 1956.

Petition of the Corporation of the City of Chatham praying that an Act may pass authorizing the provision of pensions for employees of the corporation and their families.

Petition of the Corporation of The United Church of Canada praying that an Act may pass authorizing the loan of certain trust funds to Balmoral Hall School for Girls.

Petition of the Corporation of the Village of Forest Hill praying that an Act may pass enabling the corporation to undertake, as a local improvement, the widening of a pavement on a street without a petition.

Petition of the Corporation of Carleton College praying that an Act may pass changing its name to Carleton University and increasing the number of elected governors.

Petition of the Corporation of the Hamilton Health Association praying that an Act may pass authorizing the association to use any gift, bequest, etc., in accordance with the objects of the association as extended by its supplementary letters patent.

Petition of the Corporation of McMaster University praying that an Act may pass uniting the university and Hamilton College, removing the university from the control of any religious body and revising the constitution and powers.

Petition for the incorporation of McMaster Divinity College.

Petition of the Corporation of the Municipality of Neebing praying that an Act may pass providing for separate estimates and rates for each ward in the municipality and for the validation of tax sales held prior to January 1, 1956.

Motions.

Introduction of bills.

VILLAGE OF FOREST HILL

Mr. H. F. Fishleigh moves first reading of bill intituled "An Act respecting the village of Forest Hill."

Motion agreed to; first reading of the bill.

THE TEACHERS' SUPERANNUATION ACT

Hon. W. J. Dunlop moves first reading of bill intituled "An Act to amend The Teachers' Superannuation Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill goes to the committee on education. The purpose of this bill is to permit teachers in independent schools, private schools and colleges who hold Ontario teaching certificates to contribute to the teachers' superannuation fund and to enjoy the privileges thereof on condition that the

board of governors of the independent school or college pays in the 4 per cent. which in the case of regular schools is paid by the government.

Another clause provides for admission to the fund and the privileges thereof of part-time teachers in art, music, physical health education and such subjects.

COUNTY OF YORK

Mr. A. A. Mackenzie moves first reading of bill intituled "An Act respecting the county of York."

Motion agreed to; first reading of the bill.

ERIN FIFTH LINE UNION CHURCH

Mr. J. Root moves first reading of bill intituled "An Act respecting the Erin Fifth Line Union Church in the township of Erin."

Motion agreed to; first reading of the bill.

THE COUNTY COURTS ACT

Hon. A. K. Roberts moves first reading of bill intituled "An Act to amend The County Courts Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill and others that I will be introducing will go to the legal bills committee in due course. This particular bill is entirely procedural.

THE COUNTY JUDGES ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The County Judges Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill provides that a judge may be provided for every county court and district court

and that he may act outside his county. The purpose is to facilitate the movement of judges from court to court as the volume of judicial business requires, thus speeding up the administration of justice.

THE EXECUTION ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Execution Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill provides for the raising of exemptions for seizure under execution in the case of ordinary debtors from \$200 as it now stands to \$600, and in the case of farmers for their implements, stock in trade and so forth, from \$600 as it now stands to \$2,000.

THE INSURANCE ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Insurance Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill provides for the division of the definition terms in relation to guarantee insurance to bring title insurance within that definition and into a definition of its own, and also provides for certain widening of the coverage under insurance policies, and generally is procedural. It will, of course, go to the legal bills committee.

THE LAND TITLES ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Land Titles Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the provisions of this bill are procedural and I do not see any need to add anything at this time by way of explanation.

THE MAGISTRATES ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Magistrates Act, 1952."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the effect of this bill is to restrict the security of tenure to magistrates who receive an annual salary under the Act.

THE MECHANICS' LIEN ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Mechanics' Lien Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, in explaining this I am fortified by the presence of the hon. member for Riverdale (Mr. Macaulay), a well-recognized authority on mechanics' liens. This is a procedural amendment to bring the 20 per cent. reduction or hold-back into the Act where the contract price is less than \$15,000 as well as where it is more than \$15,000.

THE PARENTS' MAINTENANCE ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Parents' Maintenance Act, 1954."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill is simply to clarify the language used and to bring it into line with the present practice.

THE REGISTRY ACT

Hon. Mr. Roberts moves first reading of bill intituled "An Act to amend The Registry Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this is procedural and it will assist the registrars in their struggle for life and also will give some assistance to municipalities by way of auditing.

CITY OF CHATHAM

Mr. G. W. Parry moves first reading of bill intituled "An Act respecting the city of Chatham."

Motion agreed to; first reading of the bill.

NEW APOSTOLIC CHURCH OF NORTH AMERICA

Mr. R. M. Myers moves first reading of bill intituled "An Act respecting the National Organization of the New Apostolic Church of North America."

Motion agreed to; first reading of the bill.

THE UNITED CHURCH OF CANADA

Mr. R. Macaulay moves first reading of bill intituled "An Act respecting The United Church of Canada."

Motion agreed to; first reading of the bill.

THE POWER COMMISSION ACT

Hon. R. Connell moves first reading of bill intituled "An Act to amend The Power Commission Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the effect of this bill is in regard to changing the northern properties from 25 to 60 cycle, and this will authorize the commissioner to proceed with this work. This new subsection provides that the cost of constructing northern Ontario property shall be charged to the operation.

THE ST. LAWRENCE DEVELOPMENT ACT

Hon. Mr. Connell moves first reading of bill intituled "An Act to amend The St. Lawrence Development Act, 1952, No. 2."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this Act does two things: it expands the meaning of "road" as it is down there and also the new section which is required in order to provide an easier and a cheaper method of closing the roads in the St. Lawrence development programme — that is, the roads that are being flooded in the St. Lawrence area.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. Report of the Minister of Education for the calendar year 1955.

2. Annual Report of the Ontario College of Art for the fiscal year ending May 31, 1956.

3. Annual Report of the teachers' superannuation commission for the year ending October 31, 1956.

MR. R. MACAULAY (Riverdale): Mr. Speaker, before the orders of the day I rise to a question of privilege with reference to a by-line which is contained in relation to a report of the speech which I gave last evening in my own riding, contained in the *Toronto Evening Telegram*, and the by-line reads:

P.C. CHARGES FROST SURPLUS
NINE-YEAR FAKE

That statement was not made by me. There was no inference in what I said, that I thought that, nor is it accurate. I would further like to say that I had occasion to speak in my riding last night and I said very much the same as I said a year ago in this House, that we have not had what an accountant

would call a real surplus, real in the sense of an accountant's surplus. That is to say, we have been taking in less money than we have been spending on all accounts, and although we have had a surplus on current account we have had an overall deficit and our debt has increased each year over the last 8 or 9 years.

I stated amongst other things that this was unfortunate, but partially necessary because the federal government had failed to accept the responsibility of this province and to contribute sufficient funds under the tax agreement.

I do not apologize for stating to this House nor to any person that I do not approve of financing by debt charges. I do not submit that this province has done that, but I am concerned about the amount of debt of any province particularly when many of the other provinces are able to reduce and wipe out their deficit by their own boasting.

I was discussing this matter last night and I want it understood, not to get the approval of anyone's opinion for that is not important. The important thing is I made the statement that I was opposed to financing by debt charges, and I felt we did not have a true surplus and that was a fact which should be presented to the public as much as the careful administration which the funds of this province do receive in the able hands of our hon. Provincial Treasurer (Mr. Porter).

I wish to put that on record, and I shall debate it further when I speak on Thursday on the speech from the Throne.

MR. SPEAKER: I would like to welcome to the House today students from Downsview Collegiate Institute who are here to view the proceedings.

I would also like to extend a welcome to a large number of delegates who are in Toronto to attend the sessions of the Ontario Good Roads Convention.

Orders of the day.

ADDRESSES IN REPLY TO SPEECH FROM THE THRONE

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, in rising to make some remarks on the speech from the Throne to date, I want, first of all, to say something about the speeches of the mover and the seconder.

The speech adoption was moved by that doughty warrior and defender of great causes from the Head of the Lakes (Mr. Wardrope). I hope that his efforts on that occasion have not been the reason for his non-appearance in the assembly this afternoon.

It was seconded by the new hon. member for York West (Mr. Rowntree), and while I could not agree with much of what they said, I do not doubt the sincerity with which they said it.

I was particularly interested in the remarks of the hon. member from Port Arthur. He spent a little of his time talking about provincial matters. The main burden of his remarks dealt with the federal government; and he called down all sorts of things upon the head of the administration at Ottawa. That, of course, is the privilege of everyone.

In this Legislature, we are debating in the main, I assume, provincial issues, and on those occasions both the mover and the seconder used the opportunity to castigate the federal government on many points.

I wish to mention only one of them, pronounced upon by the hon. member for Port Arthur. He was complaining about the travelling of the federal cabinet Ministers and the number of times their faces had appeared on television. He singled out two cabinet Ministers for special mention, and those two were the hon. Lester Pearson and the hon. Paul Martin.

I would think—I should say this, on this occasion—that Canada owes a great debt to both these eminent Canadian parliamentarians. Both of these men are our representatives at the United Nations, and both of them have done a creditable job for Canada at the meeting of the United Nations. For anyone to

suggest that these two Ministers, who are in reality our foreign Ministers, should be criticized for travelling is, I suggest, going pretty far indeed—even for a man who wants to find something with which to criticize the federal government at Ottawa.

Then, the hon. member for York West felt very concerned towards the end of his remarks because he stood in fear that we would become, or are rapidly becoming, a vassal of the United States, and he called upon all the good defenders of Canada to rise in righteous indignation as he shuddered at the thought that the things he portrayed might happen.

I thought, as I heard him speak and listened to his words, that in this election, the Tories are going back a long way in history. They are going back to 1911, and will attempt to resurrect the slogan of that year which was: "No truck nor trade with the Yankees."

It seems to me that we might, in this House, well debate provincial issues and leave those which are purely federal in character for the attention of federal people, and for the people at large when the case arises—and it probably will before many months have passed.

MR. MACAULAY: We won that election.

MR. OLIVER: Yes, you won that election. That is not any reason why you should win this one. I doubt if the Canadian people will stage a repeat performance, having in mind the particular issues which were involved at that time, and what you seek to make the issues on the present occasion.

There will be ample opportunity for every one of us to debate these issues at length, and as each hon. member of the government speaks I can visualize now that he is going to move forward in this attack on the federal government.

We have this sort of epidemic every time a federal election is in the offing, and once the election is over, the epidemic subsides; so we will just have to bear with that on the government side,

and that will include the majority, who wish to make their position known on these national issues in a provincial legislature.

I want to discuss for a certain time the speech from the Throne, as such. The speech from the Throne this year followed the pattern of those which have gone before. It covered a lot of subjects and said very little about any of them.

It did suggest there were going to be increases in grants for education and for municipal services generally. This, of course, is something to which the people of the province are looking forward, and that is something, Mr. Speaker, that we, of the Liberal party, have pressed upon the government, both in this House and out. We stress that the time has come when the government must reorganize its thinking in regard to grants, particularly for education and for general municipal purposes. And now, in the speech from the Throne, there is an indication that there will be increases for municipal services generally and for education in particular.

I wish to point out at this time that it is natural that there will be increases in both these categories. Every year for the last number of years, there have been increases. What we are interested in, and what we will not know until the legislation is before us, is how great the increase is.

What has been happening with this government is that they have been giving a little more each year to municipal services and to education. Of course, they find that the costs of these services have risen far faster and far higher than the increase in grants which this government is giving. So it will all depend on the amount of money that the government is prepared to make available for municipalities and for the education grants in particular.

I want to touch, first of all, Mr. Speaker, on a subject that was mentioned in the speech from the Throne, having to do with agriculture. I want to deal with it at some little length, because I think all of us know that the

basic industry of agriculture is passing through a difficult period at the present time.

I remember — I think it was the hon. member for Peel (Mr. Kennedy), who, in the early summer, said that the farmers last year would lose \$40 million — I think that was the figure — because of the inclement weather and other conditions surrounding that factor. What must be pointed out so that the picture may be clearly before us is that it is not only the losses sustained by the farmers last year because of bad weather, but it is that loss on top of the general deteriorating condition of agriculture which draws our great concern as a province, and should draw the great concern of the federal government as a whole. I am persuaded of this, that both levels of government have a job to do in assessing the problems of agriculture and in moving to correct the injustices and the difficulties through which the industry is passing.

The speech from the Throne referred to agriculture in these words, "Agriculture in its key relationship to the province's economic development and activity is also receiving the close attention of the government." I like that expression. I mean, they are at least interested, and that is something.

I go on: "Arising out of the decision of the Supreme Court of Canada with respect to the marketing of farm products, legislation will be submitted to you for your consideration and action for the development of sound farm marketing plans.

"The province's research and extension services are being augmented. With the extension of agriculture in northern Ontario, plans are being made to broaden assistance and supervisory services."

That is the end of the quote from the speech from the Throne in respect to marketing legislation.

Mr. Speaker, no one is more anxious than I am — and I believe it is a concern shared by all hon. members of this Legislature — to be able to give the farm

people of this province more machinery by which they can do the best and most in marketing their farm produce.

I hope — and I say that deliberately — that there is sufficient clarification arising out of the decision of the Supreme Court that it will allow us in this Legislature to make our plans definite and strong, so that the farm people can exercise the widest opportunity in perfecting marketing legislation. There is some fear of course, I imagine, in the minds of most of us that the decision of the Supreme Court did not stand for complete clarity and that it did not set down in clear, bold type the jurisdictional authority of each level of government. This matter, of course, will have to be coped with, and we will have to "cut our cloth" to fit the design, or to fit the verdict of the Supreme Court.

But I say again that there is nothing, I think, needing attention more urgently at the present time than marketing legislation of the best type possible.

So far as our party is concerned, we have no intention of giving our support to any marketing legislation which is not, in our judgment, fundamental and quite adequate to meet the problems at hand.

I might add one further word, that we have been, in Ontario, for a number of years rather marking time on marketing legislation. There has been a hesitancy to move with purpose, in respect to marketing legislation, because there has always been the suggestion on the part of some that our legislating might, or might not, stand up in the courts of law.

I still hold pretty close to the opinion that I expressed in the House last year. I doubt very much if the legislation which we were operating under in this province would have been successfully challenged in the courts; but that can be argued when the government brings down its marketing legislation later on in the session.

I want to say a word or two about the picture of agriculture in a general way. I am concerned, not because I have been — or, at least, I should say not particularly

because I have been—closely associated with the industry, but because I believe that in this day and age it is up to governments to be particularly vigilant when dealing with the agricultural industry and its problems.

Now, the reasons for that are obvious, I suggest. In the first place, the number who are farming today are much fewer than they were 10 years ago; and, in the second place, there is the additional problem that agriculture is up against. This problem was referred to by other hon. members in this House last year. It is that in days gone by, a decade or two ago, when agriculture got in difficulties, prices sagged, and the farmers became irritated and upset by the conditions prevailing in the industry, it was an indication on the broad scope of the national sphere in this country that if there was a depression in the farm industry it would precede a depression over industry, and over the country, as a whole. Agriculture is in that position today. Yet we all recognize that we are enjoying unbounded prosperity so far as the rest of the country is concerned; however, this is not so, as far as the agricultural industry is concerned.

Therefore, I suggest again that because of the peculiar conditions that prevail in respect to the industry, it becomes more and more important that governments as such give closer and closer attention to the problems of agriculture.

I want to read from the preliminary report of the Gordon Commission for just a moment on this question, so that all hon. members may be appraised of the situation in which agriculture finds itself. On page 25 of the royal commission's report on Canada's economic prospects, we read in respect to agriculture:

Great changes have taken place in Canadian agriculture since the end of the last war. Between 1946 and 1955, the physical volume of output per farm has increased by 30 per cent. and the gross physical output per man hour by almost 75 per cent. This greater

productivity has been made possible in part by favourable weather conditions in western Canada, and in part by substantial increases in the use of power and equipment on farms.

At the same time, the number employed in agriculture dropped by about 30 per cent.—from 1,186,000 to 817,000. In 1946, 25 per cent. of the total number of gainfully employed people were engaged in agriculture; by 1955, the proportion had dropped to 15 per cent.

Because the area of occupied farm land is only determined at the time of the decennial census, it is not possible to measure the change in occupied farm land over the same period; but, from 1941 to 1951, there was a very slight increase in the total area of occupied farm land in Canada.

It seems to me that that paragraph sets out in bold relief the position of Canadian and Ontario agriculture today. Those figures have to do with agriculture across Canada. In this province, where industrial progress has been at its peak, I would think that the people moving from the farms would be in greater numbers than in other parts of Canada. So I suggest again to the government that before this Legislature ends this session, we should move with all the energies at our command to meet headlong the crisis that is developing, and not slowly, in the agricultural industry.

I would think it safe to say that the mixed farming areas of Ontario are the heaviest hit. In northern Ontario it is true that in some areas there is no seed grain; that is also the situation in parts of old Ontario. There are some particular specialized branches of agriculture that have not felt the weight of the depression as heavily as have the general areas of farming.

I want to suggest to the House that we move to meet this problem in two ways. Tomorrow, I am going to place on the order paper a resolution which will call for the setting up of a select committee of the Legislature to study into the farming situation in this prov-

ince and to report back to this House upon its findings.

I am also going to ask in the resolution that particular attention be given to two aspects of the problem. One is that research as applied to agriculture has not been, in my judgment, throwing its full weight. Research, it seems to me, is doing a bigger job for industry; it has been swallowed up almost by the greatly increased industrial activity of the province. On the other hand, research as applied to agriculture has been allowed to lag and to stay just where it is, if not regress.

I believe that research, proper and intelligent research as applied to the basic industry of agriculture, would have the effect of lowering the production costs upon the farm, and this, after all, is very important. There is only a certain amount of income per farmer. Then anything we can do to lower the cost of production is net gain for the individual producer and the farmer.

When we are faced, as Canadian producers are, with the certainty that one must compete at times with overseas markets, then the lower the cost of production the better chance we have of increasing the sale of agricultural products in other than the home market.

I believe that research, properly applied, could render an invaluable service not only to the farm people but indirectly to the population as a whole. I believe that research could do a job in finding new uses for agricultural products, yet actually nothing has been done in this province in that regard. Research could point the way to new marketing techniques for the agricultural industry. I suggest to hon. members that one of the greatest weapons which can be used by this or any other government, which has within it concern for the farming industry, is to foster and to build up research and apply it to the problems of the industry as a whole.

The other aspect which I say should be considered is the spread that exists in the price between what the farmer receives for the product and what the

consumer pays. That has been discussed in this House a number of times, and there is always a feeling — and sometimes I think it is well grounded — that the spread between what the farmer receives and what the consumer pays is altogether out of proportion to the services rendered by the one in between those two.

It seems to me that if a committee were clothed with powers that this Legislature could give, with full authority to examine deeply into this problem, such a committee could, and would, bring up solutions that would have long-lasting benefits not only to agriculture but to the province and to the country as a whole.

Mr. Speaker, I want to touch for a few minutes on the question of highways. This has always been, over the past number of years at least, an interesting subject in this Legislature, and should always be, because we spend and are preparing again to spend a very large portion of our financial budget on highways.

I notice from the *St. Catharines Standard*, January 18th, that when the hon. Minister of Highways (Mr. Allan) was speaking, I believe, in St. Catharines, he said that provincial and municipal expenditures this year on highways and on roads of all kinds in Ontario will be some \$258 million.

I believe it is fair to say that there was included in this amount, the figure which the municipalities will spend in their one particular sphere. But that is, of course, a tremendous amount of money, and I say in this House and to the government and to all concerned that the time has come in Ontario when we must spend that kind of money on highways. We must spend that amount of money in order to serve the need that exists in this province.

But what I am concerned and want to speak about for a few minutes bears on the method of spending this money, and the advisability of knowing how we are going to spend it, until we move into the actual operation. I am reading from the Gordon report; it is the Gordon

highway investigation report on page 7. Gordon said at that time—the Attorney-General will be quite familiar with this submission, I am sure—Mr. Gordon said:

We believe that many of the difficulties under which the department has been operating stem from our lack of adequate and systematic planning and insufficient preliminary work prior to the calling for tenders. This includes—

Mr. Gordon says

— both the lack of an overall plan for the development of highways throughout the province and insufficient planning and engineering of particular projects before work is started.

I want to say to the House that, before this Legislature votes anything certainly in excess of \$200 million, we should be assured by the government and The Department of Highways that we have a master overall plan for highway construction in this province. I am sure we should not leave this Legislature until the government puts before us a master plan such as I have outlined, a master plan for highway construction that deals not only with the expenditure of the coming year, and perhaps the year after, but a plan that looks 20 years into the future. The plan should also set out in bold relief the needs of the province throughout that period of time, and set it out in such a way that political, or any other, considerations will not mar or thwart the intentions of the real designers of highway construction in this province.

Perhaps all hon. members will agree that it is true — that up until now there has been a lot of hit-and-miss planning in The Department of Highways. There has been the building of a piece here and skipping and building another, and then finding out that the piece which has been built first has worn out almost before the next bit is connected.

That is certainly not good enough for the province of Ontario, and it is

certainly not good enough for a highway budget of over \$200 million. We have many examples one could point to. I think at times political considerations have been allowed to interfere with what engineers and planners would normally do in connection with highway construction.

In the master plan I propose, that must not be allowed to happen. There must be a plan that deals with essentials and needs, a plan that will not allow any interference from anyone except those who are actually in the highway construction business — I mean from a governmental point of view.

We have a highway in Ontario that we call No. 401. We were proud of that highway when it was announced almost 9 years ago that construction was going to get under way. That highway, if my figures are accurate, when completed will extend some 515 miles across the province from Windsor to the Quebec boundary. In 8 years, of that 515 miles, we have built only 119 miles, and most of it has been built in this last year or so — to be quite fair to the administration in respect of this item.

But that sort of progress on a major project is painfully slow, and I hope to live to see the day when highway No. 401 is completed. I would say, if I thought it would help any, that I would even go on a diet, if the doctor thought it would add to my longevity, to see the day when highway No. 401 will be completed from Windsor to the Quebec border. That rate of construction is not good enough for the province of Ontario.

The hon. Minister of Highways is not in his seat, but I want to say that up until now the people in The Department of Highways, right from the hon. Minister down, have been slaves to the traffic count. They will not build a highway unless the traffic demands that it should be built, according to the number of cars that would pass over it. I would say that such a policy will not build highways for the future.

What we need in respect of highways is a bold new policy that strikes out,

not waiting for the traffic count, but believing that if highways are built and opened to traffic, the traffic count will come, and it seems to me that it must be part of any master or overall plan for highway construction.

What we are doing at the present time is checking the traffic out on highways near large centres of population, and finding that so many vehicles are passing over them, and we wake up and say: "By golly, there are too many going over there; we will have to build another highway."

It seems to me that we will have to strike out in this province with practical new highways and that these will give a satisfactory traffic count over a period of time.

Such a procedure will do something else which I think will be commendable; it will help to decentralize in a way the large centres of population in this province and help to build up other centres outside these large metropolitan areas of the province of Ontario. I don't think there is a doubt in anyone's mind that such a result would be to the good.

I think some of our cities are too big for their own good, and their very bigness, Mr. Speaker, presents great problems, as all hon. members in this Legislature know.

It would be far better, I suggest, from our long-range point of view to build our highways out into this province and to give industry an opportunity to go out there and to give them an opportunity to build in the local area rather than add to metropolitan areas. I will say, again that such metropolitan areas are altogether too big for their own good, and when they are too big for their own good they are too big generally for the province as a whole.

I have been reading in this royal commission's report, the Gordon report, a description of what would happen if a hydrogen bomb were dropped on Toronto. The same would be true of other heavily concentrated areas of population, and it seems to me that is the

reason why we should not put all our eggs in one basket, and we should move in the direction of decentralization which would have the effect of building up the province as a whole rather than overbuilding some areas of the province. I would say that a master plan for highway construction would have to take all that into consideration.

Now, there is the question of engineers, and if the hon. Minister of Highways were in his seat, he would agree that it has, and is still, presenting very grave problems to the department. Other industries come in and pay more money and they are lost to the highways department.

I want to make this statement, that the highways department of this province is big enough and the amount of money we spend through the channels of the highways department is large enough, and the purpose for which it is spent is important enough that we should go out and get engineers and pay for them and compete actively in the markets, and not let everybody come along and take them away from us because we don't want to spend any more money.

Certainly we have to have engineers, and their numbers must be increased as we increase the tempo of highway construction in this province. There must not be any more of the planners and engineers riding in just ahead of the contractor. That sort of thing has no place in a master plan that looks ahead for highways in the province of Ontario.

The master plan for highway construction must take into consideration the needs of the counties and townships of this province.

I have said before, and I suppose I will say it a good many more times in this House, that I believe the government is "missing the boat," having the interests of Ontario at heart — as we hope they have — in that they do not take into the provincial highway system certain county roads each year. They have a policy which is called "development roads": that started a number of years ago, as the hon. Prime

Minister (Mr. Frost) will remember, when they used to build an inaccessible piece of road in the upper ends of some of the counties in eastern and northern Ontario.

This government has developed the idea of development roads to include the taking over on a temporary basis of county roads, and of building them to provincial road standards, and then handing them back to the municipality for upkeep.

I suggest to this House that is not the right approach. In the first place, to take a road over as a development road and cause the county to buy the additional land, as I believe they do, and build a fence along each side, and then the province moves in and builds the road out to a great width — as they properly should — and then turn it back to the municipality for upkeep.

You will find that the maintenance on this road is just as great, if not greater, than it was in the days before the province moved in and constructed it.

I suggest what should be done in respect of county roads is that they should immediately classify county roads as to their importance in the provincial highway system. There is a stretch of county road that could immediately become part of the provincial highway system, I am thinking of a road in my riding, and I am not using it except as an example, but No. 4 highway starts at Kincardine and stretches across Bruce county and into the county of Grey at Hanover, comes across to Durham and then to Flesherton, and at Flesherton it meets a dead end where it meets No. 10 highway.

From Flesherton — and if the Speaker were in the Chair he would recognize the territory quite easily — from Flesherton on to Singhampton where it joins No. 24 highway, running between the ridings of Mr. Speaker and myself, it is a county road.

I say that 75 per cent. of the traffic on that piece of road does not come from the county of Grey in any way, shape or form. It is through traffic in

every sense of the word and, in my judgment, a piece of road like that should be immediately taken into the highway system, connecting as it would No. 10 and No. 24 as a continuation of No. 4 through from No. 6 highway. Every riding has an example like that.

It seems to me if the highways department would rise to the occasion and meet the problem in that way, it would be solved satisfactorily. Let the province take that piece of road over in its entirety and incorporate it in the Ontario highway system where it should be.

There are other roads that are typically and, in the main, county roads, and they serve the purpose of transporting purely local traffic. I know a road in my riding that would carry 80 per cent. traffic originating in and going to other points in the riding of South Grey, but this particular piece of road does not carry 20 per cent. of local traffic, and yet the county of Grey is expected to keep that piece of road up and maintain it in a passable condition.

Rather than continue your policy, which I do not like — and I am quite frank in saying so — of development roads, it seems to me there should be an immediate classification of county roads in categories, and in the No. 1 category, where they connect with main links of the provincial highway, they should be incorporated into the provincial system.

I want to say these general words in regard to highways: there is the agitation from time to time that we should have a commission to run The Department of Highways. If I have not been on record before, I can be so now, that I do not approve of a commission running The Department of Highways, but I say that much of the meat or the fodder of those who suggest a commission form of government comes from an appreciation of the fact that we have no planned method of building highways in this province. If we move in the direction of setting up an overall plan of highway construction in Ontario, spearheaded by a master plan, we shall

do away with much of the criticism of the highways department and the methods that it employs, and we shall turn aside much of the agitation that there has been for a commission form of control in the highways department.

I want and still insist on highways remaining under the responsibility of an hon. Minister who sits in this House and is answerable to hon. members on highway matters. It seems to me that if we favour that system, then we should attempt to safeguard and to clear away the difficulties that are making it possible for people to be heard when they say there should be a commission form of government in the province. As I said, a master plan, in my opinion, would eliminate this complaint.

As to the methods of highway financing, I want to talk just for a moment on that: there are, I think, 3 ways of financing highways in the province. The present system is that highways are partly paid for by the user of the highway and partly by what the hon. member for Riverdale (Mr. Macaulay) terms as deficit financing. That is the system we are using now.

I am told, and I rather imagine my figures are fairly accurate, that the user of highways today pays something under 70 cents out of the \$1 that is used for highway work in the province of Ontario. In other words, at least 30 cents out of every dollar has to come from sources other than the user of highways. That is the system we are using now.

Another system would be—and this would meet with the approval of the hon. member for Riverdale, I am sure—taxation sufficient to cover the full cost of highway construction and maintenance.

The other avenue, of course, is one that will be discussed in this House at some length, I imagine, having to do with toll roads where the user pays an additional tax for the privilege of driving on this toll road.

I want to make just this one observation in that connection: I am not going to argue this afternoon whether 70 cents out of a dollar is enough for the user to

pay or not. It may be that he should pay more than 70 cents, but I am going to attach a rider to my argument, and that rider is this: I do not think there is justification for the user of highways to pay the full cost of highway construction and maintenance. I believe quite deeply that the province, as an entity, has an overriding interest and an overall interest in highways that are built, and should be prepared in the general interest to take some of the money out of the Consolidated Revenue Fund.

It will be debated later on in the session as to whether or not there should be additional taxation on the motorists, but I do not want anyone to run away with the idea that I am suggesting that I believe the motorist should pay all the costs. I do not think he should be called upon to do that.

I want to speak for a few minutes on the question of education. Never having gone to university or kept the high school teachers too busy, I feel quite competent to talk extensively on the question of education.

In the speech from the Throne education is referred to in this language:

Underlying the municipal problem is that of education.

I think that is the right place for it and I agree, so far, with what is contained in the speech from the Throne.

The needs of our children, who are at once our greatest responsibility and our greatest asset, require that education continue to receive our closest attention. Formidable as it is, the problem of providing classroom accommodation is not the only one: that of increasing the supply of teachers is equally pressing.

The hon. Minister of Education please note.

School population has now reached 1.1 million—an increase of 66 per cent. in the last 10 years—and it will double in the next 15 to 20 years. Plans will be placed before you to help our municipalities meet their educational and other requirements, not only fiscally but administratively.

On the subject of education I want to say this, that I doubt if there is any matter in which the provincial government is concerned in a financial sense that has caused more unrest and more distress to taxpayers in this province than the weight of taxation for education. As has been evidenced by the briefs presented by the mayors and reeves, and other associations, the tax for education is becoming more than the people of the province can bear. In the province the government is paying something like 35 to 36 per cent. of the cost of education. Herein lies one of the greatest areas for argument.

This is the same government, or the same type of government, that was elected back in 1943 on a policy of paying 50 per cent. of the cost of education. They never paid it in all the years they have been in power. They came the closest to it in 1945, and, strangely enough, in 1945 the percentage was 45. Ever since 1945 the percentage of total cost paid by this government in the form of grants has gone down from 45 to the present 36, which means, in effect, that the municipal taxpayer has had to bear that extra burden and the government has walked out on its just obligation to municipal taxpayers.

There cannot be much doubt about that. Last year the hon. Minister of Education (Mr. Dunlop) told us how much he was increasing the grants for education: there was a substantial increase dollarwise in the grants, but when one puts the increased grant against the greater increased expenditure, one finds that the percentage grant from the province was less than it had been the year before. That has been the picture for the last number of years, and that is the story which has to be arrested in this Legislature. When hon. members are face to face with what we are going to do for education this year, then let us remember what we have been doing so far has led us farther and farther down the path of getting out of our responsibilities.

To meet the cost of education, not only will we have to pay more, but we

will have to pay a great deal more in order to pick up the slack which has been allowed to develop in education grants over the years.

I want to read for a moment from the brief presented by the Association of Mayors and Reeves, and this is the association that met with the hon. Prime Minister (Mr. Frost) who doubted some of the figures presented to him. I see where the head of the association doubted the Prime Minister's doubting, so just where it ends at the present time, I do not know.

HON. MR. FROST: We are all confused.

MR. OLIVER: They are all confused; I would agree with that.

In respect of education, the brief suggests —

HON. MR. FROST: What page is this on?

MR. OLIVER: Page 15.

HON. MR. FROST: I know most of those.

MR. OLIVER: You do not like these figures?

HON. MR. FROST: Yes, go ahead.

MR. OLIVER: Yes, I have left off the ones you are disputing until the matter has been resolved. I do not want to quote any questionable figures.

In 1949 the cost of education was \$61 million and the contribution by the province was \$38 million. In 1950 it increased to \$68 million on the overall cost and the province paid \$43 million. In 1951 it rose to \$86 million and the province paid \$48 million, and now it is \$147 million. According to these figures the province pays \$84 million out of that. The percentage, of course, has dropped from 45 per cent. to 36 per cent.

HON. MR. FROST: I do not follow the hon. Leader of the Opposition's figures, they do not work out that way.

MR. OLIVER: Well it cannot be over 50 per cent. — I must have the figures mixed up somewhere.

HON. MR. GRIESINGER: He is reading it wrong.

MR. MACAULAY: Turn it around the other way.

MR. OLIVER: Hon. members need to watch out or they will be turned upside down with the speeches they are making. The brief points out that the contribution from the province has dropped from 45 per cent. in 1945 to 36.35 per cent. These must be the figures the hon. members were questioning. We can leave that to one side except to say there is not very much doubt about the overall situation.

I think the hon. Prime Minister will agree with this, that the province is presently paying some 36 per cent. of the cost of education and there is not any doubt in the minds of anyone that it is too small a share for the province to be assuming under the present situation that prevails.

In 1945-1946 there were enrolled in the elementary schools 545,000 pupils; 10 years later 880,000. That gives an indication, as was contained in this province's brief to the Gordon Commission, of the tremendous expansion there is going to be both in the enrolment so far as pupils are concerned and the number of classrooms required. There is not any doubt that the taxpayer generally is worried over the present load, and in this Legislature hon. members must, time and again, urge upon the government that they meet their proper responsibilities so far as education grants are concerned.

There are two or three other things here that will be brought up by my colleagues when the estimates for education are before the House. There is the matter of the teacher shortage, which I

want to talk about for a moment or two. The hon. Minister of Education is reported in the *Toronto Daily Star* of September 23, 1952, as saying this:

Dr. Dunlop says that sufficient primary school teachers will be available in the years that lie ahead.

That is in 1952:

The hon. Minister said that there was record enrolment at the teachers' colleges, and said that higher salaries were one reason for the increase. Teachers are in such supply that this year is the last one in which grade 13 graduates will be able to enrol in teachers' colleges with only 5 upper school papers: In future 8 papers will be required.

On June 27, 1956, the hon. Minister of Education in the *Toronto Daily Star* said this:

The Minister hinted that there may be a surplus of teachers when school re-opens in the fall and was going to see what could be done to remedy the shortage of mathematics and science teachers by up-grading teachers at summer courses.

In the *Globe and Mail* of June 23, 1956:

Dr. Dunlop said, "I cannot get along with the people who get pessimistic about the teacher shortage." The Minister said not a single school or classroom was closed last year because of lack of teachers and promised that none will have to be closed next year. Later Dr. Dunlop said that a larger ratio of pupils per teacher may have to be instituted but there was only a slight possibility that school time tables would have to be staggered. Trustees expressed little of the Minister's optimism.

In the *Toronto Telegram* of January 19, 1957, a brief was reported, a brief that was prepared by a qualified researcher under the Teacher's Recruitment and Service Council, and this brief forecasts there will be an overall deficit of 350 qualified secondary school

teachers each year reaching 1,486 by 1970.

Most hon. members will recall that we have suggested from this side of the House from time to time that there was a teacher shortage, always to be met with the statement of the hon. Minister of Education that there is no teacher shortage. In the speech from the Throne this year, we have the words that I have already read and I want to read again. It says:

Formidable as it is, the problem of providing classroom accommodation is not the only one, that of increasing the supply of teachers is equally pressing.

In the speech from the Throne the government recognized the problem of teacher shortage as one of great importance. Every time the hon. Minister speaks about it, he says there is no teacher shortage, and it is hard to be enthusiastic about an hon. Minister who repeatedly says there is no shortage of teachers when obviously there is.

Moreover, when we have an hon. Minister saying these things, it rather suggests that the way he talks in relation to the teacher shortage is the way he acts, and because he believes there is no shortage he will do little or nothing about correcting the situation that revolves around the definite shortage of teachers in this province.

Surely the speech from the Throne was quite definite when the Honourable the Lieutenant-Governor said that one of the most important jobs to be done is that of increasing the supply of teachers in this province.

The hon. Minister of Education reminds me very much of a man who is standing in a burning house, he stands there loudly saying that he was not responsible for the fire and even goes so far as to say there is no fire.

HON. MR. NICKLE: He is hot stuff.

MR. OLIVER: In this particular situation I would say to the government that the time for real action is at hand,

when one views the great increase in future enrolment of pupils in this province. I am quite free to say that under the kind of leadership that the department has had in respect to teachers, and the assertions from time to time that there is no shortage, that there is need to pull up their socks in this regard and really tackle the problem as if there is a problem. That there is a problem was suggested at some length in the speech from the Throne.

I want to talk for a moment or two on the health committee and the plan for hospital insurance. I want to say at the outset that, after having read the letters carefully that passed between our hon. Prime Minister and the federal Rt. hon. Prime Minister, and after having carefully read the statements of both the hon. Prime Minister and Mr. Gathercole in the health committee last year, I can say this afternoon that I doubt if there is any real difference of opinion between this government and the federal government in the matter of hospital insurance.

I think the area is restricted enough that in that enclosure, as it were, there could be worked out a plan that is satisfactory to both levels of government and that will bring hospital insurance to the people of the province.

I want to say here and now with respect to hospital insurance that, when the matters that are still dividing the two levels of government are being negotiated, neither side should be sticky about giving in a little along the line. The main thing is to come to an agreement, and to have that agreement workable and to be in a position to bring the benefits of hospital insurance to the people of the province. I want to read, Mr. Speaker, a statement in the report of the standing committee on health and Mr. Gathercole, I believe, was talking at this time and he said:

... and third, that hospital insurance coverage should be introduced by steps. As proposed, the plan would be open to everyone — universally available — but at the outset it would be mandatory for employee groups

only. Later, persons who were self-employed or in the professions would be brought under the plan.

This follows a time-honoured custom. It is a method which has been widely adopted for administrative reasons. Many European countries have followed this course, and it was the principle adopted in the evolution of the American social security plan, that is making the plan mandatory for certain groups which could be brought under it, and from whom it was administratively possible to obtain contributions, and leaving the others to be absorbed later, as the administrative machinery was developed.

Mr. Gathercole goes on with this interesting comment:

I might say, in passing, that it is estimated there are over 4 million employees and their dependents in this category, and it is our thought that perhaps over 4 million people would become mandatory members and well in excess of 500,000 would become voluntary members of the hospital insurance plan.

HON. MR. FROST: That is a pretty good statement.

MR. OLIVER: Yes, it is, I agree with it. It is a pretty broad base for coverage and it suggests, I think, Mr. Speaker, that the government as a whole have in mind making the base of hospital insurance broad in this province. That is what I said the other day and I repeat now, that the purpose of introducing hospital insurance is that the benefits would be widely available to the people of the province and that they would come in under the plan and benefit from it.

Now Mr. Frost said, and I imagine it is this Mr Frost across the way, at page 52:

May I say to Mr. Fishleigh that in the long run it must be compulsory. I will give you a case in point. Consider, for instance, our school system in Ontario. It provides for free edu-

cation in the primary and secondary schools of this province. Yet all the bachelors have to contribute toward that. I suppose it is insurance against the possibility that some day they will be married, and have children.

The point, of course, there, is that the hon. Prime Minister did say that in the long run it must be compulsory.

I read very carefully a letter written by the hon. Prime Minister of Ontario to the Rt. hon. Mr. St. Laurent. I want to read to the House only the last paragraph of that letter which is dated January 30, 1957. I imagine my hon. friend knows pretty well what is in here, but this is what it says:

For Ontario I am quite prepared to say that our commission will work without delay in every practicable way to obtain a utilization which is as wide as possible. In saying this I leave it to their good judgment and discretion to determine when, in whole or in part, the plan should be made mandatory, and how this very complicated administrative task will be achieved. The objective of universal coverage is one Ontario hospitalization has long striven for, and I have no doubts about their ability to achieve, in a sound, businesslike way, this objective, which is common to the association and to this government.

I suggest to the House that in statements of that kind the government is saying in effect that it is going to move into this hospital insurance scheme in a broad way, and is going to get as many people as it can in it as quickly as it can.

Now that is all that we can reasonably ask of any government, and I suggest to the federal government this afternoon that on the basis of the affirmations of intention on the part of this administration, that there does not seem to be any reason why there cannot be a meeting of minds in relation to hospital insurance. I am quite satisfied in my own mind, as I was almost satisfied from the time the plan

was brought down, that the differences are much smaller than the things that unite, and the great thing that unites us behind the hospitalization plan is the realization that its benefits would be widespread and that people generally would have the benefit of the hospital plan in action.

I say that what the government of Ontario and the government of Canada should do from now on is negotiate in good faith, negotiate with an intention to bring this plan in and not allow any small, insignificant side issues to detract them from the main objective in mind; and the main objective is to bring the benefits of hospital insurance quickly and surely to all the people of this and other provinces of Canada.

Now, that is the point of hospital insurance. In respect to labour, I just want to make this passing comment and say to the government, as I said last year, that I think they should, I am sure they should, call the labour committee. That committee should be called once every 10 or 15 years at least, and the time must be about right to call it now.

The hon. Minister of Labour (Mr. Daley) has said many times that we have the best labour legislation in the world. I noticed in a Canadian Press dispatch the other day that the leaders of the labour movement are going to present a brief to the hon. Prime Minister in which they will move to have The Labour Relations Act quite widely amended and changed from what it is at the present time.

If the hon. Prime Minister is going to receive this brief, then certainly the committee on labour should also receive it. They should have the opportunity of knowing what is in the minds of the people who work in the factories of this province and what they suggest by way of change to The Labour Relations Act.

It should be wide open, in the sense that all who want to come and who feel they have a contribution to make, should be allowed to state their case

before the committee, with the objective in view that the "best labour legislation in the world" will be made better still. And I call upon the government, as we have done many times, this year to do what they have not done thus far, and call the committee on labour.

I just want to say a word on the subject of old age pensions. I thought that inasmuch as this was not mentioned in the speech from the Throne, I hoped it was an oversight on the part of the government and that it would bring in supplementary legislation later on. However, I am afraid that we cannot count too much on that.

The suggestion was made that the rates payable to mothers' allowance cases were going to be increased. That, of course, is commendable but it is also not known but rather expected that there will be no increase to old age pensioners in this province.

Now, I have argued this so often that I simply want to say at this time that the greatness of any government in my judgment is measured by its approach to, and its appreciation of, the human problem and the human rights, and in this particular respect I believe that in Ontario, with the money we have at our command, that we are doing less than our duty as good citizens if we do not come to the aid of old age pensioners.

It may be suggested that the federal government will increase the basic rate of the old age pension. I hope they do, but even if they do, that does not relieve us in Ontario of the responsibility of making a supplementary allowance. Many of my colleagues will be speaking on the subject, but I want to point out as emphatically as possible that no government has the right to be called great or good unless it meets in an adequate fashion the needs of those who have to be cared for under its particular jurisdiction.

I want now to talk about what is known as the tax-rental agreement. This is a subject that no doubt will be discussed at some length during this

session and I want to make some little contribution to it at the present time.

The agreement which we have presently with the federal government runs out on March 31st. During the last 5 years we rented two fields to the federal government, the field of income tax and that of corporation tax.

On March 31st, the 5-year agreement expires and it will be the responsibility of this government to say whether it is going to renew the agreement with the federal government on the basis of the offer that has been made to them; whether it is going to renew it for the two fields that were part of the agreement during the last 5 years; or whether it is going to renew it for only one of those fields. And the third alternative, of course, is that the government will not renew it at all and that it will tax in its own jurisdiction for the needs of the people of the province.

I want to look for a moment or two at what has happened in respect to the agreement and the federal offer of a new agreement. The federal offer is now, I believe, around \$47 million more for those two fields than we received in the last year under the old agreement. That \$47 million may be increased, as everyone knows, by changes in the gross national income between now and the time that an agreement might be signed.

Therefore, it is reasonably safe to say that a new offer on the part of the federal government for the rental of these fields of taxation is close to \$50 million higher than what we received from those same fields in the last year of the old agreement.

In addition to that, it was announced by the federal government that they were vacating the field of taxation so far as insurance companies were concerned. The two per cent. tax on insurance premiums would amount, in their estimation, to some \$10 million to the province of Ontario, and I would suggest to the House that there either have been or will be other fringe concessions along the line and after the pattern of the insurance tax.

The hon. Prime Minister, I believe, talked about the withholding tax. There is the tax for the fire marshal's office. There are taxes relating to logging and mining.

All these have been subjects of negotiations, I imagine, with the federal government and I have no doubt that not only have the federal government given in on the one relating to insurance premiums but that they have either by this time or are prepared to give in on several other of these small concessions.

And I have no doubt that the value of those concessions to this province would easily amount to \$10 million. I think it is therefore fair to say, Mr. Speaker, that in the new agreement we would be getting, having in mind the almost \$50 million on the basic agreement itself, having in mind the fringe benefits that would come—

HON. MR. FROST: Mr. Speaker, may I point out to the hon. member that the \$50 million includes "the works", it includes insurance and everything.

MR. OLIVER: That was not my understanding. Is the hon. Prime Minister sure of that?

HON. MR. FROST: Oh, yes.

MR. OLIVER: I will check on that. But at any rate, this \$50 million that the province will be receiving, and I still think the insurance tax is over and above the \$50 million, I am almost sure of that and I am quite sure that the hon. Prime Minister is wrong on that point because I have checked and double-checked in that regard, and my information is that the \$47 million stands by itself and that the insurance tax is added on to that as a benefit to the province.

MR. R. MACAULAY (Riverdale): The hon. Leader of the Opposition is wrong.

MR. OLIVER: I am not wrong, and I would ask the hon. member for Riverdale to prove that I am wrong.

MR. MACAULAY: I will.

MR. OLIVER: My information on this is just as accurate as the hon. member's.

MR. MACAULAY: I am quoting the hon. Mr. Harris.

MR. OLIVER: No, Mr. Speaker, the hon. member for Riverdale is not quoting hon. Mr. Harris, I can tell him that. On this point, Mr. Speaker, I am quite sure of my information, that the new agreement will give the government almost \$50 million under the basic agreement, and that it will give it in addition an opening into the field of taxation on insurance premiums which will amount easily to \$10 million, and it will give it an entry into some other minor fields. I was going to say, and I say it now, that the agreement is worth almost \$70 million to the people of this province more than it was in the last year of the old agreement.

MR. MACAULAY: Oh, no.

MR. OLIVER: Well, it is, and I suggest that the hon. Prime Minister knows that and that he had better take the hon. member for Riverdale to one side and increase his knowledge in respect to this particular problem—

MR. SPEAKER: Order.

MR. OLIVER:—because the hon. member for Riverdale is not fully aware of all that is involved in this matter. What he is saying is absolutely aside from the fact, and I think he knows it, and if he does not, he should be informed to the place where he does know it.

There is the suggestion, Mr. Speaker, that that \$70 million or \$65 million, or whatever it is, is still not enough to carry on the affairs of this province in the way that they should be carried on. Now, to that \$70 million, or whatever it amounts to — and it will be in around there somewhere quite close, because we cannot be accurate right to the cent, but

it is reasonable to say that it amounts to around \$70 million — now to that you would have to add the ordinary increase in revenue that the province can look for this year over last. In this connection it is interesting to note that in the year 1950-51 the province had \$46 million more in revenue from sources of taxation than it did the year before; that in 1951-52 it had \$37 million more; 1952-53, \$47 million; 1953-54, \$23 million; 1955-56, \$26 million; 1956-57, \$32 million.

Now in all fairness, so that the matter will be properly placed before the House, I am bound to say that those figures include the payments from the federal government and that they amount to an increase each year, I think I am safe in saying, of between \$8 million and \$10 million on an average of an increase one year over another.

HON. MR. FROST: Oh, no.

MR. OLIVER: Well, that is the figure, I have it here, and at any rate they would not be very much more than that. So it is safe to say, Mr. Speaker, that the increase in revenue from the province's own fields of taxation increase each year by at least \$20 million. Now that is \$20 million of new money. That is \$20 million added on to the \$70 million that we had carried over from our last argument, and that amounts, Mr. Speaker, to some \$90 million of new money.

HON. MR. PORTER: Keep going.

MR. OLIVER: I am doing all right.

HON. MR. FROST: If it only worked out that way.

MR. OLIVER: That is almost \$90 million of new money that this province will have coming in this year, that they did not have last year. I am suggesting to the House, that should be enough to improve and widen the services and the benefits of the province to its people.

HON. MR. FROST: Mr. Speaker, might I ask the hon. Leader of the Opposition how much of that money would be needed to achieve the overall balance that the hon. member for Riverdale has so eloquently spoken about this afternoon? I thought the hon. Leader of the Opposition approved of what he said. I do, I think there is a lot in what he said.

MR. OLIVER: Oh, there is. A lot of people have been saying it for a number of years, and that does not withdraw from the sound basis of what the hon. Prime Minister has said, but it is a little aside from what we are talking about this afternoon. We have practiced the same sort of financing since the Legislature was formed in this province and we are hardly going to change it in a couple of hours. Let us keep to the system we have.

HON. MR. FROST: Does the hon. Leader of the Opposition argue that we should continue to engage in deficit financing on as large a scale as we have had to do the last couple of years?

MR. OLIVER: The finances of the province are such, in my judgment, that a sound contribution should be made each year to the sinking fund to cut down the provincial debt of the province, and I am old-fashioned enough to believe that this could be done, and that it should be part of our obligation, and that would have, if you put the amount in often enough and made it large enough, the effect of doing what the hon. member for Riverdale suggests.

However, I was going to point out, when some one interrupted me, that we will have in Ontario next year — I do not think there is any refutation of these figures — almost \$100 million of new money. Now, I would say that is enough, and it was on that basis I argued last year, that we should accept the federal-provincial tax arrangement. I still think that it gives the province of Ontario a reasonably good deal when all these matters are considered.

Of course, it is up to the government to decide what it is going to do in this particular regard. There is some suggestion that we are going to pull out of the agreement as it affects the corporation tax field, and "go it alone." The suggestion is that we will increase the corporation tax by two per cent.

Of course if we do that, each point in corporation tax means some \$14 million, so you would have \$28 million of additional revenue if you pull out of that field and impose a two per cent. tax.

Now, I would suggest to the government at this time that it does not look as if it needs the corporation tax increase, it looks as if it has enough in the basic offer of the federal government plus the fringe benefits that surround it and are added to it.

MR. MacDONALD: Does the hon. Leader of the Opposition oppose the corporation tax increase?

MR. OLIVER: Oh, the hon. member for York South is not going to get me on that at the present time. Just wait and see, I was coming to that. He is the most impatient fellow I ever saw in my life. I was going to mention that very point.

MR. MacDONALD: We have heard the hon. Leader of the Opposition before on this particular point and he was more anxious then.

MR. OLIVER: The hon. member will be more anxious before the session is over, so let him contain himself if he can.

It appears therefore that the corporation tax at present does not seem to be needed. Now, if the government before this session is over can show the Legislature that the money is needed, then we will examine the picture as it presents itself at that time, but if it puts on the corporation tax and raises some \$28 million more, it will have well over \$100 million, and I suggest that it should be enough, even without the \$28 million, to do a good job of governing in this province.

MR. MacDONALD: Highest priority for the corporation tax.

MR. OLIVER: The hon. member can talk about corporation and all other taxes when he has his chance. He has a one-track mind; the trouble is, it is a narrow gauge.

MR. MacDONALD: Is the track headed where the money is, anyway?

MR. OLIVER: With respect to the tax-rental agreements in general, I think it should be said—and I think the hon. Prime Minister would admit this—for the idea of renting fields to the federal government. It provides stability of income to the province, their income is a guaranteed figure, they know what they are going to get from certain fields.

I have never argued that the province could not collect more itself than it gets under these tax agreements, but the hon. Prime Minister well knows that in these tax agreements we are, in a measure, helping the less fortunate provinces of Canada and, after all, we are Ontario, we are a wealthy province and I think all of us believe that in a way, and as far as we can, we should help to build the national fabric of Canada and that we should not allow, if we can help it, certain provinces to fall below a certain level of income and prosperity.

It is true that these tax agreements have been used to some degree to help out the less fortunate provinces, but what happens in this connection is up to the Ontario government. Whether it goes into the corporation tax field itself or not, is a decision that it will have to make, but I want to say this to the government right now, that if it moves out of the field of corporation tax, it will then be only a "forty-second cousin" to the agreement any way one looks at it. It will be in the agreement on only one tax, and that would be personal income tax. Now, if this government feels it should step out of the field and collect its own corporation tax, then I am saying to you that it should step

out of all fields and collect all its taxes in this province. The only reason it does not step out of the personal income tax is because it is quite an unpopular tax to collect.

But if we are going to step out of the succession duties, as we have already done, and step out of corporation tax, then let us make a clean sweep of it and get out of it all, and then if we get out of it all we will have removed once and for all this "crying on the doorstep" of Ottawa for this present administration, and it will be responsible then for its own financing and will not be able to turn its own failures into a charge against the federal administration at Ottawa, as this government has done on repeated occasions.

So I suggest to the hon. Prime Minister in all sincerity that if he decides to move out of the corporation tax field, then pack his bag and get out of them all, and let us end once and for all this feuding with Ottawa as to not paying us enough money, and all this kind of thing.

After all, we have the right to tax in these fields and so has Ottawa, and I think it is not good sense for us to be always saying: "Ottawa is doing us on this and that." If we believe they are "doing us", then let us match up to our words and get out of the agreement and tax in our own fields for the benefit of the people of this province. I have not any hesitation in saying that to the government and to the province this afternoon.

I want to talk now for a few moments about this new committee that the hon. Prime Minister has set up. I read with some amazement the announcement that the hon. Prime Minister was setting up, or had set up, a new committee to investigate the Metro set-up in Toronto, and that the committee is composed of some 5 members, 4 of them good, loyal Conservative members of the Legislature and the other one the chairman of the Municipal Board, Mr. L. Cumming.

The purpose of this committee is to examine into conditions in the Metro

set-up and to advise the government, I presume, as to what improvements could be made. In the first place Metro came into being by the passing of Bill No. 80. It was not passed particularly by the government, it was passed by the Legislature, and is an enactment of this Legislature. Bill No. 80 was framed by Mr. L. Cumming, he was the architect of Bill No. 80, and now he is to be the chairman of this committee that examines into the performances that have gone on under Bill No. 80.

The hon. Prime Minister is reported in the *Globe and Mail* of January 25th as saying:

Mr. Frost said that the committee will start to work immediately, and will be likely able to report to a session of the Legislature expected to be called for next September. The committee may be established by order-in-council or a resolution of the Legislature, if this is necessary, to give it the powers which will be in effect those of a royal commission.

Mr. Speaker, as we saw in this paragraph that I have quoted, and in one that I am about to quote, the hon. Prime Minister is saying that the committee will report to the Legislature; also that he may have to come to the Legislature for powers in order that the committee can carry on with the work that has been assigned to it. On January 24th, the hon. Prime Minister mentioned the widest powers, including those of witnesses being subpoenaed if necessary, so that the committee's powers will be equal almost to those of a royal commission.

I am saying, Mr. Speaker, that this is an odd way of appointing a committee. The hon. Prime Minister time and again has told hon. members of his belief in committees, and of the powers for good that flow from the appointment of committees; and we have been using committees in this Legislature on a great number of occasions with good results, I would suggest.

But in this particular matter the hon. Prime Minister has appointed a com-

mittee of his own choosing, of his own party members, to investigate into and to report upon, a statute of this Legislature. The hon. Prime Minister has also appointed this committee to examine into matters of assessment, matters of school taxation and all other matters affecting the metropolitan area.

I say that these are matters affecting not only the metropolitan area of Toronto; they are matters affecting Kitchener, Hamilton, and all other centres of population in this province; and if the hon. Prime Minister is going to appoint such a committee for such a purpose, then he should widen it to include members of the opposition as well as government members.

It seems to me that the hon. Prime Minister is sliding away from his former principles in regard to committees when he goes out, just before the session of the Legislature, and appoints a committee of his own boys to investigate a statute enacted by this Legislature, and tells that committee and the press with respect thereto that if he cannot get the necessary power by order-in-council he will go to the Legislature and get additional power; and also tells them that this committee will, in all probability, report to the next session of the Legislature which, he suggests, will be held in September.

If this committee is going to have power under this Legislature, and if this committee is going to come to the Legislature, as it properly should, then it should be composed of members of the Legislature, not only of one party, but all parties represented in this House.

When the hon. Prime Minister suggests that this committee should be made up of government members, he should be reminded that in Toronto and the Yorks—if I might bring it down to an isolated case—he should be reminded that in the last election, his government candidates were minority candidates in Toronto and the Yorks—

HON. MR. FROST: We have all the members.

MR. OLIVER: I know what the hon. Prime Minister is going to say, that their members are in the House. That is true. But at the same time he appointed this committee, representing the government, to delve into matters concerning the council of the city of Toronto and the whole metropolitan council area. Yet, taking the whole area, his party was 40,000 votes short of getting half of the votes in the last provincial election; and yet he is suggesting that he has the right—I suppose the hon. Prime Minister has the “right”—I do not know what you call it—but the hon. Prime Minister can do it so far as that kind of thing is concerned. He can do it. He has said he can do it. There is no doubt about that.

But to do so is politically wrong, it is morally wrong, it is wrong in every way you look at it, and I suggest to the hon. Prime Minister that if that is the way he is going to appoint committees in the future, then let everybody know that is the way he is going to appoint committees, and we will then know that he is not going to consider people who represent opposition parties in this House, and who have every right to be on those committees and to lend what talents they have towards a solution of the problems involved.

I suggest that in this one case the hon. Prime Minister has fallen far short of what the people of this province have a right to expect of him in regard to committees of this kind. I protest against it with all the power at my command, because I think it violates the basic principles of our parliamentary system. The hon. Prime Minister should not suggest that he is going to use the powers of the Legislature to give this committee wider powers and to report back to the Legislature and, at one and the same time, not give to the other parties in this House any representation on that committee.

I suggest, Mr. Speaker, that in this matter alone, this present government has erred grievously and that they have done irreparable harm to the cause of committees, and what committees have the ability to do in this province.

It was suggested by the mover and seconder of the address that we should support the message in the speech from the Throne. I do not feel able to do that unless this House would agree to have it amended in this manner, moved by myself and seconded by Mr. H. Nixon (Brant), that the Motion for an Address in reply to the Speech of the Honourable the Lieutenant-Governor now before the House be amended by adding thereto the following words:

“But this House regrets the government has failed to:

1. Indicate any adequate policies to meet the needs of agriculture and to investigate the price spread between what the farmer receives and the consumer pays for agricultural products.
2. Recognize and acknowledge its responsibility to the well-being of our old age pensioners and has neglected to offer assurance to them that the financial difficulties into which they are being pressed will be relieved by payment of a provincial supplementary old age pension.
3. Give adequate assurance that this year it intends to increase its share of the cost of education in Ontario from 35 to 50 per cent. of the total cost and thereby, for the first time, honour its promises of 1943 to pay 50 per cent. of the cost of education in Ontario.
4. Introduce policies or programmes which will halt and reverse its current practices which have lowered professional teacher training standards and which will overcome the current shortage of qualified elementary and secondary school teachers in Ontario and which will prove adequate to meet the province's need of qualified teachers in the future.
5. Indicate its recognition of the changing character of municipal services and to offer to the municipalities, through a provincial-municipal conference, the opportunity to define responsibilities and to allocate revenue sources appropriate to the discharge of these responsibilities.”

HON. L. M. FROST (Prime Minister): Mr. Speaker, may I extend to you the good wishes that have already been expressed in this House.

I should like to congratulate the mover and seconder on their very excellent speeches, and, in complimenting them, I wish to be more generous in my praise than that which was bestowed by the hon. Leader of the Opposition (Mr. Oliver).

Of course, I expected, and received, great things from the hon. member for Port Arthur (Mr. Wardrope), whose eloquence and ability are well known. I felt that I was giving a great task to the new hon. member for York West (Mr. Rowntree), who very ably acquitted himself in dealing with such a great subject as he and his co-mover had to deal with.

As a matter of fact, the speech from the Throne contains what the press has indicated is a tremendous programme.

The hon. Leader of the Opposition has used the time-honoured method of referring to the speech from the Throne as a document containing very little, but these things — power, water power, gas from the west, nuclear power, the problem of water and pollution, municipal reform — to which he has referred and to which I shall refer in a moment — education, federal provincial tax adjustments, hospital insurance, farm marketing, a welfare programme, the development of the great province of Ontario in the matter of roads, public works and other matters of that sort—Mr. Speaker, indeed a monumental document to which the mover and the seconder did very great justice indeed.

May I say, in these very challenging and fast-changing days, it is interesting to notice that according to the census just taken, the population of "Old Ontario" has increased in 5 years by over 17.5 per cent.—by a population as great as that of the city of Toronto—and has exceeded the Canadian average which works out at 14.4 per cent.; and on an area basis has increased at the rate of 3.5 per cent. per year; it is the

fastest-growing of any comparable borough in America and exceeds Canada's average which is about 2.8 per cent.

These figures are an indication of the growth and the development of this province, and of the necessity of a programme such as this Legislature has before it in this third session of the twenty-fifth Parliament.

It was very discouraging this afternoon, of course, to sit here for two hours and have the hon. Leader of the Opposition include, in the ambit of his condemnation, his remarks and his references over such a very wide area. It is not my intention to attempt to deal adequately with his criticism. I shall have to confine myself to very direct references in connection with points that he has raised.

First of all, in dealing with one or two of these subjects in a very hurried way — may I say, in reference to his condemnation in respect to the metropolitan committee, that it is a problem to which I have given a good deal of thought, and I am sure the hon. Leader of the Opposition will agree, and I think the hon. member for York South (Mr. MacDonald) will also agree when I am through, that the course I took was the one best calculated to deal with that particular matter.

In dealing with the hon. member for York South, I would like to say that in looking over the hon. members from this area and trying to draw together the knowledge and experience that was required, I attempted to get members who would provide for a balance in this great problem between the city of Toronto and the suburban areas. To the hon. member for York South may I say, there is nothing I would have liked better than to have put him on the committee. The reason I omitted his name from the committee was this, that he had never served on any of the councils in the area. I was trying to get the experience that was required to deal with it.

MR. MacDONALD: May I ask the hon. Prime Minister a question? Since when has this become the criterion for putting people on committees? Are the members on the toll roads committee all familiar with toll roads, or have they a certain judgment and look to the facts and come to the conclusions?

HON. MR. FROST: Perhaps I had better give the background of this matter, and I will do so by saying it was a highly involved problem which came before this Legislature some 4 years ago, in 1953. The matter arose from a report made by Mr. Cumming, and the Cumming report was really the basis for Bill No. 80, subject to a great many changes that came about particularly in the form of government.

There is a very great difference in the form of government as adopted from that recommended by the report. When the first meeting of that body was held in this very Legislature on April 15, 1953, I pointed out that the form of government was experimental, and that I hoped the council itself would come up with recommendations for the future government of this area. The system was founded really on the county council system.

I asked in this chamber on April 15th, on that day of history because it created this great metropolitan area, I asked if the council would consider the matter. In getting together a committee that could consider it, as a matter of fact, Chairman Gardiner mentioned the matter in the inaugural meeting of the 1956 council, but nevertheless the council seemed to be unable to get from its membership the type of committee or type of investigation that was wanted, and finally it arrived on my doorstep.

What I did was this, I asked the chairman, the author of the Cumming report who seemed to be a man who had laid in a very substantial way a foundation for this very progressive legislation. Then, I wanted to get a balance between the urban and the city which is inherent in the form of government, and it seemed to me I had

such a man and a very independent thinking man in the former mayor of Toronto.

MR. MacDONALD: You are avoiding the issue.

HON. MR. FROST: Then I turned to the membership of this House to another man who had sat on the metropolitan council, the hon. member for St. Andrew (Mr. Grossman), with great knowledge and great experience on the council itself, and an intimate knowledge as to how it worked.

In going to the suburbs I did this: we have in the hon. member for York-Humber (Mr. Lewis) a former reeve of Etobicoke township who had been on the committee, had sat on the committee, on the metropolitan council itself, and had an intimate knowledge of how it was working in the suburban areas. The same applies to the hon. member for York Centre (Mr. Graham) who among other things has an intimate knowledge of matters relating to the separate school system and problems there would be in connection with the government of this area. I did look around for somebody from the official opposition but I was unable to find anyone there.

MR. OLIVER: You did not look very hard.

HON. MR. FROST: I would point out to the hon. member for York South that the hon. Leader of the Opposition and his followers opposed Bill No. 80 in the session of 1953, and every one of them who opposed the bill were defeated, so I had no one there to choose from.

MR. OLIVER: If we make the same gains in Toronto-York the next time as we did the last time you will be gone.

HON. MR. FROST: Even the Minister of Municipal Affairs Designate, who was a great opponent of Bill No. 80, also went down to defeat at

that time. I did my very best to have a representation on that committee which would adequately meet the requirements of the day.

MR. OLIVER: You mean you did not want anyone that opposed it? That is what you said.

HON. MR. FROST: I remember when Bill No. 80 was introduced in this Legislature, every bit of that legislation was gone over by the Toronto and York hon. members in detail, and they introduced amendments and changes to the bill themselves. I think the chairman of that committee was the hon. member for Parkdale (Mr. Stewart), a former mayor of Toronto.

I am thinking of this, I think it may be a desirable thing. I do not know that I would say this was a fact, I would not want to offend the hon. members of the opposition, but I could form another committee of the House, a committee consisting of all the hon. members of Toronto and the Yorks, to consider the amendments which will be proposed this session to Bill No. 80. They could have powers to inquire into certain matters during the session of the House, and pass over their findings to the smaller committee which has been set up to consider this matter. I can assure the hon. member for York South that I am most anxious to have the best views, the best opinions, the best experience we can gain in the great experiment which I think is an outstanding achievement in America.

I was interested in what the hon. Leader of the Opposition said about the tax arrangements at Ottawa, but I have come to the regretful position that his lack of knowledge of that is so abysmal that I will not deal with that this afternoon, I will leave that—

MR. OLIVER: Well, tell me where I was wrong when you make a statement of that kind.

HON. MR. FROST: Well, I have not the time nor the opportunity at this time.

MR. OLIVER: Nor the knowledge.

HON. MR. FROST: And I will leave that to be dealt with by the other hon. members of the House.

MR. OLIVER: If the hon. Prime Minister has not the time to refute what I said, then his over-all statement was most unfair, even for him.

HON. MR. FROST: I would point out to the hon. Leader of the Opposition that it has taken now some 3 years to bring him around to the point of view that our health plan is a fine, generous plan for the people of Canada.

MR. OLIVER: That is as wrong as the other statement.

HON. MR. FROST: What opportunity would I have in the brief time at my disposal to better his education in this matter?

MR. OLIVER: My education is all right, I received it in the school of hard knocks.

HON. MR. FROST: That is where I received most of mine, too.

Now, Mr. Speaker, that will be dealt with in an adequate way later on.

In connection with the matter of agriculture, I would say that I agree with the hon. Leader of the Opposition in the importance of that great subject. I come, as he knows, from a rural area myself, I was born and have lived most of my life in rural Ontario, and I have a great interest in that subject.

I might point out that the root of the present difficulties which were referred by us to the Supreme Court of Canada had its genesis really in an action of the government of which he was a member a number of years ago, in 1935 and following, concerning The Natural Products Marketing Act, with which some of you are familiar. This Act was passed by the federal parliament in 1935, was referred to the Supreme Court of Canada, and there it was found in a very

unsatisfactory judgment that the division of jurisdiction between the provinces and the federal parliament was so great that it left the situation in chaos, and there the friends of the hon. Leader of the Opposition left the matter.

I made this promise to the farmers of Ontario, a promise that we have scrupulously carried out and more than carried out:

Firstly, that we would strengthen the farm marketing legislation; secondly, that we would fight the farmers' battles in the courts and not leave them to be carried to private actions which could only result in further chaos resulting from the 1937 decision.

That is the basis of our carrying this matter by agreement to the highest court in the land and getting a decision which, while it is not in some regards clear, certainly does in a very substantial way clear the ground for very realistic action.

Furthermore, I said on the third point that we would press for a federal-provincial partnership for support of plans which overlapped the jurisdiction of the governments, and we have been very active in that. I thought I had the federal government persuaded, indeed we had them persuaded, to pass a section which would enable very close co-operation in the spring of 1955, and it was because they withdrew from that subsequently, that in the federal-provincial conference in the fall of 1955 we reverted to the original plan of referring it to the courts to clarify the situation.

On the fourth point, we said we would press for constitutional clarification of the situation. Mr. Speaker, may I say that the farmers of Ontario are satisfied with this, they know that we are their friends and that we will support their cause and fight for them to obtain the economic assistance which is due them.

In connection with the highways matter, of course, the building of highways by The Department of Highways is big business. One always has to be alert to better methods, better procedures, as that department is. The development road idea is a very excellent one, and I think is working out very well. The

effect is to transfer from the municipalities the capital costs of building certain types of roads and to relieve them of that burden. I am in accord, in a partial way, with the taking over of certain roads and that policy is in effect at the present time.

I suggest, in connection with the planning of the work of that great department, that the hon. Leader of the Opposition have a chat with Mr. Fulton, who is now the Deputy Minister, and who was the chief planning engineer for some years. Ask Mr. Fulton about the planning that has been mentioned.

The hon. Leader of the Opposition referred to the fact that we were slaves of traffic counts; it may be that we are slaves of statistics and other things in these days, but I have endeavoured not to be a slave of matters of that sort in too great a way.

Indeed, I attempted to break through the barrier some years ago in building the Atikokan road. There, we burst the barrier and we went through and built a road believing the traffic count would come on that road. The only thanks I got, and the thanks my friends got, for doing that was to be accused of doing things that were designed for political purposes.

MR. MacDONALD: Ten years after it had been promised.

HON. MR. FROST: The hon. member is hard to please; much as I would like to please him and much as I try to please him, he always finds some room for disagreement.

I should like, Mr. Speaker, to refer to just one or two things here in passing, with reference to municipalities and education. Perhaps I can confine what I am about to say to a very narrow compass, but I think a very direct compass.

In replying to the hon. Leader of the Opposition, I would like to take what he has said this afternoon and combine it with his radio speech the other night to which I listened with

great interest. I might say that I always listen to him, and I am always interested in the point of view that he expresses, and therefore I take this opportunity of combining both of his speeches.

The hon. Leader of the Opposition constantly makes reference to point 9 of that great charter of liberty, the 22 points, which featured the general election of 1943. That was a considerable period of time ago, 14 years, and I would have hoped that by this time the hon. Leader of the Opposition would have recognized, and would be praising, the reforms that were implicit in the documents which were delivered at that time, I think in the month of July, 1943. The hon. Leader of the Opposition refers to this point as not being carried out when, in fact, it has been carried out beyond all of the expectations of that time. I want to straighten out the hon. Leader of the Opposition, if I am capable of doing so.

MR. OLIVER: You are not.

HON. MR. FROST: In the few minutes I have at my disposal, I would say that the following words were spoken in 1943 by the then Leader of the Opposition, the hon. George Drew, to whom I want to pay great tribute this afternoon as a fine Canadian who has been a credit to this province. He spoke these words in July of that year:

There will be a sweeping revision of our whole system of realistic taxation so that the owning and improving of homes of farm lands which are the very foundation of our society will not be discouraged by excessive taxation. As an initial step in that direction, the provincial government will assume at least 50 per cent. of the school taxes now charged against real estate. It is further to be clearly understood that this change will not affect the authority of the local school authority.

It seems to me that this point is perfectly clear and I would like to point out very briefly what happened in con-

nection with the matter. If you will notice the wording of the platform, which was directed to a sweeping revision of our system of real estate taxation, it states that, as part of this plan, the government would assume 50 per cent. of the school taxes now charged against real estate. Those words were spoken in July, 1943, and the meaning is absolutely clear.

MR. MacDONALD: That is a newly discovered thing, an archaeological expedition.

HON. MR. FROST: If the hon. member had engaged in a little research, he would have found it himself.

MR. MacDONALD: Somebody must have received a prize for digging this up. I am not amenable to this line of argument.

HON. MR. FROST: Perhaps the hon. member for York South is a little more amenable to education than perhaps is the hon. Leader of the Opposition. I have often wondered in that regard whether he is incorrigible or impossible.

The initial step referred to was carried out in its entirety. In order to pay 50 per cent. of school taxes then charged against real estate, which were the words, it was necessary to increase the school grants by about \$8 million to \$25 million in one year. When this was done, the initial step referred to was completed. I would be very glad to give the hon. member a copy of these notes to look over the matter carefully. May I say, to give the hon. member for York South a little education on this point—

MR. MacDONALD: This is like Russian history; the hon. Prime Minister revises it after each election.

HON. MR. FROST: Just a minute. What I am giving the hon. member is something which is basic. Just listen a minute—

MR. MacDONALD: How much of a bonus did the hon. Prime Minister get from the man who dug this up?

HON. MR. FROST: That speech was delivered here in Toronto in the early days of July, 1943. The hon. Leader of the Opposition was speaking at Welland or Niagara Falls, or some place, and immediately uttered a blast and said it was unthinkable that the school grants should increase from \$8 million to \$25 million, he thought it was impossible, and I can get the newspaper accounts of that, which I do not think the hon. Leader of the Opposition has denied.

Of course, we did it as the initial step.

As to the sweeping revision of the whole system of taxation, may I point out that we have taken steps that were not even remotely considered in 1943? I say to the hon. member for York South that in that year, 1943, the grants for all purposes for municipalities were \$18 million. That was 18 per cent. of the municipal tax levy in that year, and it was 17 per cent. of the provincial revenue.

I would like the hon. member to get those figures because I know he wants to correct his broadcast at the very next opportunity. Get this, that the former government gave \$18 million to the municipalities; that was 18 per cent. of the municipal tax levy and was 17 per cent. of the provincial revenue. In 1956, which is a greater year than 1955—but I will take the last year which the account for both sides are available—in 1955, the \$18 million had increased to \$170 million.

What does the hon. Leader of the Opposition think he would have thought of that figure when he was at Welland when he said we could not raise \$25 million for education? What does he think of that \$170 million, 10 times as much, and it is now more than that, and the percentage of 1955 on the municipal tax bill had increased from 18 per cent. to 48.5 per cent. in 1955. In 1955, instead of giving 18 cents out of every provincial dollar, the hon. Provincial Treasurer (Mr. Porter) found 40 cents on every dollar to go into the municipal

"till." I use the word "till" because my father was a merchant.

In 1943, for every dollar the municipality raised, the province put 18 cents beside it. Today, for every dollar raised by the municipalities, the province puts 50 cents beside it. That is how we carry out the reforms we promised in 1943. I would say to the hon. Leader of the Opposition that point 9 of the 22 points has been carried out in its entirety, and beyond the expectations of anybody, including himself, in 1943.

I point out that the people of Ontario have cast their ballots for us in election after election, the last election to the extent that the government got some 80-odd seats out of 98.

As regards education, Mr. Speaker, the province not only paid 50 per cent. of the amount which was charged in 1943 against real estate, they paid it on the 1945 level, and may I say to the hon. members of this House—and there are a few of them here today—that when we went to pay that 50 per cent. of the cost of education, the hon. members of the opposition combined to defeat the government, and the people of the province upheld our acts and returned us with twice as many members as we had when we went to the people.

Since 1943 these grants increased from \$18 million in that year to \$25 million, which the hon. Leader of the Opposition said was impossible, and this last year the grants were \$84 million, increased from \$25 million which he said was impossible a few years before.

May I ask—I think it is fair to ask—what has been the effect of these hugely increased grants upon the municipal position? When we consider these figures, we have to take a dollar at a constant value. Therefore, I am taking the figure of the Dominion Bureau of Statistics, and the hon. Leader of the Opposition will agree that, when I go to Ottawa, I will get something that is correct. I am taking the Dominion Bureau of Statistics 1949 dollar and using that in each of the following years.

This has been the effect of these very huge grants we are making:

In 1935, the taxes paid by the municipal taxpayer in Ontario on every \$1,000 of assessment was \$62.04. That is in terms of constant dollar. In 1955, in terms of the same dollar, the amount has fallen to \$43.98.

The gross municipal debt per capita in 1935, in terms of constant dollar, was \$134.17, and by 1955 had fallen to \$70.22.

That is the effect, of carrying out the reforms we promised in 1943.

I am giving this picture not for the purpose of saying there is no municipal problem, because there very definitely is in this growing and expanding province. In the next 10 years, we are going to have very many problems indeed, and one of them is the doubling of our school population, which the hon. Leader of Opposition has very properly mentioned. We are going to be met with this vast increase in our population, the greatest in Canada and the greatest in America. We are going to be faced with many problems.

Mr. Speaker, that is the reason in the speech from the Throne for the sentence: "You will be asked to consider matters of far-reaching municipal reform." That is the purpose of the sentence; and furthermore, in referring to the grants in this current year of \$185 million, that is the reason for the further sentence: "You will be asked to approve of further substantial increases."

May I say to the hon. members opposite and to the supporters of this government that this government is in the habit of carrying out the promises which it makes to the people. There will be substantial and far-reaching reforms introduced at this session and in the succeeding sessions throughout this Parliament which I am satisfied will make a drastic contribution to the condition of the home owner and the real estate owner, as was the result of the far-reaching reforms introduced in 1945 over the votes of the opposition

which tried to cast us out of office because we attempted to bring in this reform which was based and predicated upon point No. 9 of the 22 points.

Mr. Speaker, may I refer very briefly to the matter of hospital insurance, and particularly to one phase. Our purpose in 1955 was to place the problem of hospital insurance on the table where it could be examined and where it could be dealt with, where it would be taken out of the realm of fancy phrases which by some people are designed for election purposes only. I say to the hon. Leader of the Opposition that this government is a government of action—we do think.

In the correspondence which the hon. Leader of the Opposition read, I could refer him to another paragraph. As we stand here today, there are only two of the provinces which presently have hospital insurance, British Columbia and Saskatchewan, and I do not think that either of these provinces has received justice; I think they are very clearly entitled to federal contribution. I think that the formula advanced by the federal government is out-dated and we will have to see whether, in fact, it is workable.

MR. MacDONALD: At least they waited on the federal government before putting it into operation.

HON. MR. FROST: The other day the British Columbia and Saskatchewan plans were referred to. I have examined them very, very carefully, and I have the highest respect for the way in which those plans were introduced. I think there are very many elements which would appeal more than the other plan, but that is a matter of choice.

I would say, as I said in one of my letters to Rt. hon. Mr. St. Laurent:

In one form or another, this matter has been before the Canadian people for many years. I think it is fair to ask why public hospital insurance is not in general use. It seems to me that the whole answer

lies in that administrative difficulties have appeared to be so great and the plan so expensive that the provinces have felt that with their limited resources, they simply could not afford it.

This may still be the case if conditions are imposed that they have either to do the job at once or in a time which does not allow for the development of an efficient administration. If hospital insurance is to be brought about in Canada, then I would presume to say that, in the right of the problems in my own province with which I am familiar, a flexible system geared to the above interpretation of universal availability should be used. This, I am sure, would meet every practical test that reasonable people could ask for and would completely justify federal and provincial participation.

There has been talk of advancing the tentative date that was proposed of January 1, 1959, which I may point out is merely tentative, and I read in the morning paper today that there is now a great urge that it should be done in Ottawa and elsewhere. I believe that the hon. Leader of the Opposition mentioned the other day advancing the date to some time in 1958.

Yet it seems so plain it hardly needs an explanation from this side of the House, and I am reminded of the newspaper story yesterday, telling that a young woman bank clerk was held up by a man who approached the wicket and asked her to hand over the money in the cage, and she looked at him and said: "Don't be silly." I thought that was a great thing. The result was that this mere man just turned and fled out of the bank; he "beat it."

I would not want to say to the hon. Leader of the Opposition "Don't be silly," for fear he might run out and I would not want him to do that. If the date is going to be advanced, is it not a condition precedent to that, that we get an agreement with Ottawa? Now that they withdraw, this arrangement they

have with the majority of the provinces and the majority of the people has no validity; they should be paying Saskatchewan and British Columbia right now.

I think they have followed that same course in the matter of unemployment. Several of the provinces, including this province and our sister province of Quebec, are not in that plan, yet it is in effect. What difference is there between that arrangement and the hospital insurance? It seems to me hospital assistance is available to all the provinces and all the governments, and ought to be treated this way. That is the way old age pensions were brought about in this country.

There is also another matter I would like to deal with in connection with hospital insurance and that is the very interesting phase of the care of mental illness, which is one of the things very often overlooked.

In the care of mental illness, provincial outlays have increased over 5-fold in the last 10 years, and that does not include capital outlay, which has increased bed capacity by about 40 per cent. Perhaps somebody will correct me if I am wrong in this, but it seems to me that our bed capacity in mental hospitals is almost equal to the bed capacity in the public general hospitals.

Some very interesting and far-reaching possibilities are envisaged in our hospital insurance plan. We think it was a great mistake for the federal government to retreat from the position they took in 1945 and not include mental illness in their most recent offer. However, we propose to do this ourselves, but I prophesy that in my opinion sooner or later the federal government will come into this plan.

Concerning mental illness, there are the following points. Until recently it was considered that the bed ratio of 5.75 beds per 1,000 of population was the desired objective. Since then, however, there has been, as in the case of tuberculosis, a radical change in the concept of treatment of mental patients in connection with the development of new

drugs and treatments unknown a few years ago. Today it is probable that the objective of 5.75 beds per 1,000 of population is now out of date, and that as new techniques are developed and patients recover and are discharged after a much shorter stay, fewer beds and treatment of a more active nature will be required. In terms of happiness, which is a very great, intangible thing, the possibilities of modern treatment are very great. The problem of rehabilitation is very much better.

Over a period of years, the success of the new methods might bring impressive savings indeed to our hospital system. From views expressed by the federal department of health in 1945, it is apparent that very probably the 5.75 beds ratio is now outdated. Since then there has been such a radical change in the concept in connection with the treatment of such patients that it is now possible to give active treatment to those who in years gone by would have been considered chronic cases.

Implementation of the new concept toward mental care will require more trained doctors than under the present programme, but it will lead to a considerably shorter stay in the hospitals and fewer beds per 1,000 of population will be needed. There will be a saving in public money due to the fewer beds that have to be supplied and maintained, but of course the additional trained staff which the new system requires will mean greater expenditures in the line of the techniques used in the cure and betterment of this disease.

As will be seen in the section on costs, the introduction of the proposed method of treatment will considerably reduce the total expenditures for the care of mental patients.

The new concept of mental care is being carried out in the state of Kansas, where it was introduced 8 years ago, and in the city of Amsterdam. The state of Kansas has diminished its mental hospital population because it has been able to reduce considerably the average length of stay in hospital.

The city of Amsterdam, with nearly a million people, has only a 300-bed hospital in use for mental patients. The Amsterdam programme is based upon psychiatric first aid in the community, which of course we have introduced now in our public general hospitals. A team of full time psychiatrists and several times as many psychiatric social workers are engaged to treat patients in the community at all hours of the day or night. Only the chronically ill or dangerous patients are sent to hospital.

Now, while the Amsterdam system might not be applicable to Ontario or to all parts of it, in some areas it would probably be suitable.

The results of the policy adopted in Kansas, which could easily be modified to suit conditions in Ontario, are very striking. In Kansas they have reduced the number of patients per physician from 343 in 1948 to 75 in 1954, and discharges have risen from 40 per 100 in 1948 to 82 per 100 admitted in 1954. In 1955, the number of patients per physician was reduced to 56.

These are just some of the very interesting and very engaging possibilities we have lying before us in this great province, and with the plans which we have in front of us, which I hope will be plans that are predicated in good administration, good business common sense, and in the avoidance of the extravagances which can overwhelm a plan such as we have envisaged.

I would say to hon. members of the House that I am satisfied, after studies now extending back over some 3 years—as I am sure my colleagues are—that the success of this plan is based and is predicated upon a sound business administration, which we are prepared to give, by non-political people and a non-political body.

It is now 5.59, Mr. Speaker, according to this clock which has looked down on this assembly for so many years and has ticked on steadily despite the heat of the debates which have taken place here.

May I conclude by referring again to the possibilities of our country and

our province in these days. We have such great possibilities if men and women in the world only know how to use them, if they only have the moral sense and background to use these great possibilities and opportunities for the advancement of peace and to the betterment of mankind, rather than devoting them to war and injustice. The chances and opportunities in our province are very great.

It is such a short time ago that I remember the concern, back in the early days of this administration, in 1943 and 1944, about the matter of gasoline which was used in our cars, all but a percentage point or two of which was imported into this province. Today, in the development of our country, some 60 per cent. of it is being supplied from the Canadian west, and shortly I am satisfied that 100 per cent. of our requirements will be produced here in Canada, within our own borders.

One of the greatest concerns we have had here was that of power. We have been worried about that subject ever since we attained office. It is nice sometimes not to have to worry, or to be able to cast worries aside. When the Liberals were in power they had no worries in that regard, they simply cast aside the question of power, they said they did not want it, they did not need it. They did not have the vision of the future of this province that made worry on that point a very important thing to us.

We have looked at this great province of ours and have wondered where we were going to get the power to meet the great opportunities of development which were ours. The supply of water power was obviously diminishing. I have referred to the change in the Canadian west and the possibility of bringing natural gas to this province to supplement our supplies. In looking back over my notes and records, I find that in September, 1952, it appeared to be a very, very remote possibility indeed that gas could be brought from the Canadian west into Ontario. Mr. Speaker, in 1957 or 1958 it is going to be a fact.

In this province of ours, one of our disabilities has been the fact that we have been without fuel, without the power that comes from fuel. Yet, in these few years, only perhaps as many as the fingers on one hand, that picture has changed. Now in the province of Ontario we have two of the greatest uranium mining camps in the world, in fact, I think they are assessed as the greatest in the world, one of them being in the hills of Algoma and the other in the Bancroft-Haliburton area.

It was my great privilege to be present last September at the opening of the first nuclear-electric power plant, a demonstration plant but nevertheless a very substantial plant. There we saw the commencement of something which is probably going to change the life and being of our province, to give us opportunities of power and fuel within the borders and boundaries of this great province of ours. The possibilities are very great.

In December I went to the opening of the Bancroft mine, which is within the borders of my own riding in the township of Cardiff, an area which has been very largely, almost entirely, a bush township, a township which has been in the settlement stage and never emerged from it.

There I stood by one of the machines at the end of the line and saw a curious yellow dust coming down the line and going into the container in which it was packed. Then I recalled that in the old days, in that country with which I am very familiar, some of us were young and could perhaps have packed 300 pounds of luggage on our backs while going through some of those rivers in that country. I can assure hon. members that some of the sacks I carried appeared to me to weigh that much, anyway, and I am quite sure that there were some of us who were capable of carrying 300 pounds.

The way things look now, a man who can carry 300 pounds on his back could carry all of the fuel required to run the Richard L. Hearn plant down here on the waterfront for one year. That shows

the possibilities of this great country with its challenging opportunities.

I regret, Mr. Speaker, that I have exceeded the 6.00 o'clock limit, but in view of these explanations and others that will be given, I hope the hon. Leader of the Opposition and his followers will change their minds and give this government a vote of confidence.

MR. MacDONALD: Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the

House, may I announce that tomorrow, Wednesday, we would like to proceed with some of the bills on the order paper. However, I would like to proceed with the debate on the motion in reply to the speech from the Throne, and I think perhaps we might occupy the first hour on bills and go on to the hon. member's address about 4.00 or 4.15 o'clock, if that will be satisfactory.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.07 of the clock, p.m.



ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, February 6, 1957

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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

WEDNESDAY, FEBRUARY 6, 1957

3 O'CLOCK P.M.

Motions.

And the House having met.

Introduction of bills.

Prayers.

MR. SPEAKER: This being the fifth anniversary of the Ascension of Her Majesty, Queen Elizabeth II, I would ask hon. members to join in a special prayer for the occasion.

Almighty God, who rulest over all the kingdoms of the world, and dost order them according to Thy good pleasure: We yield Thee unfeigned thanks, for that Thou wast pleased, as on this day, to set Thy servant our Sovereign Lady, Queen Elizabeth, upon the throne of this realm. Let Thy wisdom be her guide, and let Thine arm strengthen her; let truth and justice, holiness and righteousness, peace and charity, abound in her days; direct all her counsels and endeavours to Thy glory, and the welfare of her subjects; give us grace to obey her cheerfully for conscience's sake, and let her always possess the hearts of her people; let her reign be long and prosperous, and crown her with everlasting life in the world to come; through Jesus Christ our Lord, Amen.

Presenting petitions.

The following petition was presented and laid on the table:

By Mr. O. F. Villeneuve, the petition of the Corporation of the Town of Hawkesbury.

Reading and receiving petitions.

Presenting reports by committees.

JAMES RUSSELL

Mr. D. M. Kerr moves first reading of bill intituled, "An Act respecting James Russell."

Motion agreed to; first reading of the bill.

MR. SPEAKER: Before the orders of the day, I would like to remind the hon. members that in the upper rotunda outside the main entrance of this chamber you will find the mace of the Council of the Northwest Territories. This is a very beautiful work of art and I would suggest that you see it before you leave.

I would also like to welcome to the House today, the pupils from Hillcrest School in Barrie, Hodgson Public School in Toronto, and Brookhaven Public School of Toronto.

We also have in the House a very distinguished visitor in the person of Brigadier F. C. G. Page, D.S.O., O.B.E., senior United Kingdom officer in Canada, and welcome him to this chamber.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

Report of the hon. Minister of Lands and Forests of the province of Ontario for the fiscal year ended March 31, 1956.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, before the orders of the day, I would like to draw the attention of the House to some inaccuracies that developed in respect to the subject of education when I was speaking yesterday. In some manner, the brief from which I was reading was folded so that only two columns of figures were visible, and I used the larger of those two as indicating the full cost of education in the province of Ontario. That, of course, was not accurate. I would like it corrected in *Hansard* if that is the wish of the hon. members of the House.

The total cost, for instance, in 1949, was not \$61 million as stated, but rather \$100 million, out of which the province contributed \$38 million, and the municipalities \$61 million. On down to 1956, the total cost was \$231 million, and the province contributed \$84 million, the municipalities \$147 million.

It is my wish, if it is concurred in by the hon. members of the Legislature, that these figures be included properly in *Hansard*, rather than the inaccurate position which it now occupies.

members' to consider matters relating purely to Metropolitan Toronto. There are several bills, I understand, coming in concerning this municipality. I can assure the hon. members that I am most anxious that we should get all the views possible in connection with this great problem.

I do not think it is practicable at all to have a large committee; in looking over the names of the hon. members I propose, I do not think it is possible to attain a balance in this city. I am not speaking about a political balance. There were in the personnel I propose, very great differences of opinion at the time Bill No. 80 was introduced.

In regard to the hon. member for St. Andrew (Mr. Grossman) my recollection is that, as a member of council of the city of Toronto at that time, he was not greatly enthusiastic; I think the enthusiasm was to the inverse ratio of 19 to 1 against Bill No. 80 at the time it was introduced.

I think in the suburbs it was received with a good deal more warmth than it was here in the city of Toronto. What I have endeavoured to do in that commit-

Levies at the Local Level			Contribution by Province		Total Cost
Year	(a)	Amount	Year	(b)	Amount
1949		\$ 61,431,968	1950		\$38,708,000
1950		68,555,407	1951		43,695,000
1951		86,386,382	1952		48,863,000
1952		101,454,602	1953		55,438,000
1953		112,861,723	1954		59,044,000
1954		126,509,389	1955		68,104,000
1955		141,878,705	1956		70,775,000
1956		147,128,705	1957		84,025,000 Est.
					\$100,139,968
					112,250,407
					135,249,382
					156,922,602
					171,905,723
					194,613,389
					212,653,705
					231,153,705 Est.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I quite agree with the hon. Leader of the Opposition that the record should be correct, but I would say with this clarification on my part, that I accept it only as the correction of an inaccuracy contained in an inaccuracy.

Mr. Speaker, I might say that possibly tomorrow, or shortly, I am contemplating, and in a general way this might be accepted as a notice of motion, to set up a general committee of the House composed of the Toronto and York hon.

tee is combine the balance, and I am not talking about political balance because it is a matter which cuts across the party lines. I have been trying to get the balance between these communities and a group experienced in the problems to be met, by way of municipal service, and likewise representative of the various interests in this community without making the committee too large.

This is an experiment, and if it appears tomorrow or whenever this motion is introduced that it is not a

practical idea, then I would consider its withdrawal. However, it seems to me that perhaps—I am only one who seeks to find the right matter in the government of this area—it might be possible to have a committee of the House consisting of all hon. members in the Toronto and the Yorks, some 17 or 18, or something of that sort to consider the Toronto and York bills, and also any other matters under consideration that would come up in connection with this area.

I do not think there is a very great deal to be gained by having the other committee which I proposed the other day sitting sooner than the end of this session for this reason. The councils of these municipalities are now all elected for two years, and it seems to me that as long as there can be a report—there was a mention of a report being available this fall—at the moment, I would think a great deal of doubt exists as to whether it would be necessary to put in effect the new system of municipal government until the expiration of the present two-year term.

However, that is a matter for the committee to decide, although ultimately it is a matter for the government to decide. I am most anxious that there should be the fullest of expression of points of view on this matter, so that we can come up with the right answer.

I put that thought forward and I do it so the hon. members of this House will have an opportunity of expressing their views in connection with the desirability of such a motion if it is proposed.

MR. SPEAKER: Orders of the day.

HON. MR. FROST: Mr. Speaker, yesterday I proposed to the House that the order of business would be to spend about an hour in connection with the order paper, and follow that up with the debate on the speech from the Throne. I have just discussed that with the hon. member for York South (Mr. MacDonald), and I find it would not inconvenience the hon. member to have that order altered, and have the debate

on the speech from the Throne first, and go on with the order paper perhaps at 5.00 o'clock.

ADDRESS IN REPLY TO SPEECH FROM THE THRONE

MR. D. C. MacDONALD (York South): Mr. Speaker, I must say that I have been wondering, for the last hour or so, what exactly is developing when the afternoon papers come out with screaming headlines "Nab MacDonald" and then about an hour before the House was to open, I discovered about 75 to 100 spies, good Conservative spies, in my office.

Naturally in politics when that many spies emerge at once, your suspicions are aroused, but I just want to calm any fears that may be roused by saying that these were good apple Spies from down in Elgin County. I would like to thank the hon. member for Elgin (Mr. F. S. Thomas) and I can assure him I have sampled one in spite of its monstrous size and found it good, and others are now proceeding to do the same.

Mr. Speaker, may I at the outset, extend my congratulations to the mover and the seconder of the speech from the Throne this year. It is an honour to be given the privilege to move and to second the speech from the Throne, and I think it can be said that the hon. members this year acquitted themselves well. I am not going to add anything further with regard to the hon. member for Port Arthur (Mr. Wardrope), because he is an old hand here, but I would just like to add with reference to the hon. member for York West (Mr. Rowntree) a personal word of welcome to this House.

I might as well be frank about it and say that a few of us did our level best to keep him from getting here, and come next election we shall be doing our level best to see that he does not get back, but for this occasion we have to concede that the combination of the hon. member and the well-oiled politi-

cal machine back of him brought about his presence. I hope his stay here will be a meaningful and a satisfying one.

I think, as hon. members of this Legislature, ours is the challenge to give leadership to the people of this province while at the same time we are acting as their servants, and as I have indicated once before in this House—I think in my maiden speech—that as far as I am concerned, that is the noblest calling a man or woman can have in a free society today.

I want, in the earlier part of my remarks, to deal with an assortment of points which have been raised by various hon. members so far in the debate, but first let me make a general observation. If Rip Van Winkle had been a citizen of the province of Ontario and had by chance found himself here in this House awakening after his long sleep, last Thursday, I am certain of this—he would have been sure that we were on the eve of a federal election. When the mover and the seconder of the speech from the Throne had finished, they had obviously opened up with all barrels, and all barrels were directed for the most part in the direction of Ottawa.

The battle is on. In fact, the point I want to emphasize, Mr. Speaker, for just a moment, is that the sham battle is on, because obviously these hon. members were relieving themselves of expletives that I suspect some of the high-priced boys down on Bay Street had a hand in cooking up. Those fellows built up such a head of steam that somebody had to give them relief somehow. The result was that charges were hurled here which I am certain the hon. members themselves do not really believe, and, like the platforms that they often fight at election time, they will be forgotten once the election is over. The sham battle is on, and tweedledum and tweedledee are back in the field.

I would just say to the hon. members who are the mover and the seconder of the speech from the Throne this year that in case for one fleeting

moment they should persuade themselves that all these harsh words are something they should believe in, that it might be well to recall what I think was a rather memorable television cast that we had in this country recently. It was the occasion, I believe, of the Sunday evening following the recent Conservative Convention in Ottawa, when they chose a new national leader. A couple of gentlemen, one a long-standing champion of the Liberal Party, Max Freedman and Gratton O'Leary, an equally long-standing champion of the Conservative Party, had been brought together by that inveterate matchmaker Marcus Long, to discuss what had happened in the convention.

It was a very memorable television cast because it became very obvious that Gratton O'Leary, that grand old man of the Tory party, could not completely cover up the fact that the convention had been a rather disillusioning affair to him, that somehow or other the riffraff had climbed into the seats of the aristocrats and that he was rather disturbed and not too happy about the future. But, at the end, Marcus Long threw what in effect was the haymaker; strangely enough the haymaker became a boomerang because the question that Marcus Long asked was: "Well, Mr. O'Leary, what in your opinion is the difference between the Liberal and the Conservative Parties?" Mr. O'Leary chewed on that for a moment and he said, "Well, it is mainly a difference of mood and bias."

I suggest, Mr. Speaker, that pretty accurately sums it up. That is the difference between the Liberals and the Conservatives, and now we are having another display of it in this sham battle which is about to be thrust upon the nation on the eve of an election — a battle between two parties, which, as one of their long-standing exponents has indicated, have no other difference than a difference in mood and bias.

MR. NIXON: Quite a difference in position, too.

MR. MacDONALD: I agree. Tweedledee and tweedledum, and the

only difference is tweedledum is out and he wants to get in and vice versa. That is rather an important point, I agree.

HON. MR. FROST: I would point out to the hon. member that we are the party that are progressing.

MR. MacDONALD: I do not know in which direction you are progressing at Ottawa, and Gratton O'Leary is not certain either.

Before I get to other points, I want to deal with another issue which apparently has the hon. member for Port Arthur somewhat preoccupied. He dwelt at considerable length on the ramblings around the world of two or three federal cabinet Ministers, and raised the question as to whether or not the people of Canada were getting full dollar value for the expense accounts which were coming in from these hon. gentlemen. The thing that rather puzzled me was why the hon. member for Port Arthur wandered so far afield, because I would invite him to take a look, in his term, at the life and travels of the hon. Minister of Planning and Development (Mr. Nickle).

I do not want to give this in my own terms because I did not travel with the hon. Minister of Planning and Development, but I have been highly amused, and I must say quite informed by the regular "London Letter" that was published in *Maclean's* magazine last summer, written as all hon. members of the House know, by a "good"—if that is possible — Tory, Beverley Baxter. The letter is entitled, "Mr. Nickle's Strange Day of Glory" and it opens thus:

Browning wrote a charming poem called Pippa Passes which dealt with a young woman's adventures of a single day. In emulation thereof I intend in this "London Letter" to give you a prose poem entitled "Nickle Passes."

Then he goes on to explain that he was forewarned by Colonel Johnston, who is the Queen's Printer in Toronto,

to expect him, the "our William", to arrive in London, and then added:

Quite rightly, "Bap" believes, like Shakespeare, that there should be a fanfare of trumpets when a man of importance sets foot on the stage.

This is written with a degree of suspense that is really something to behold. Baxter goes on to say that, in the conversation that he had with the hon. Minister of Planning and Development, the question was asked of him, "What is going to happen in Parliament today?" The answer was that the Chancellor of the Exchequer was expected to announce the acceptance of the terms for the sell-out of the British owned Trinidad Oil Company to the Texas Oil Company. "That is bad," said the hon. Minister of Planning and Development, and then with admirable clarity, he gave a description of how the American dollar was forcing its way into Canada and other territories within the Commonwealth. "It was good to hear him," said Beverley Baxter, with just a note of derision that runs through the whole article.

I draw attention to the hon. member for Ontario (Mr. Dymond)—that last year when I made comments such as this, with regard to American capital coming into Canada, I was chastised. It was not part of the Tory "line" at that time.

Then later he goes on to say:

As we drove to the House of Commons we discussed the Trinidad deal, and in a few pregnant words he announced the greed of American policy towards the British Family of Nations. I asked permission to quote him without mentioning his name, and he agreed—

We can see the suspense building here. Mr. Baxter continues his account with events in the House of Commons:

At this point I intervene to ask Mr. Speaker if I could put a question based on a statement made to me by a Minister of the Ontario government who

is in London at this very hour. Mr. Speaker agreed, and then I said: "Do you not think, Mr. Speaker, that this is a moment when we might listen to not merely a Canadian, but to the voice of Canada? A Minister of the Ontario government has authorized me to say that in his opinion the policy of the big oil interests in the United States is to achieve the monopolistic control of the natural oil in the English-speaking world which can create a stranglehold on the industrial development of the Commonwealth.

"And so the row broke out," says Beverley Baxter. Then after the row had subsided in the House and was raised afterwards, Lord Beaverbrook enters the stage at this point—you can see that "our William" was really in big company, and Lord Beaverbrook asked: "Have I your permission to say that you were the Canadian Minister who was quoted in the Commons?" "I have no objection," says "our William." So the mystery was unveiled in the *Daily Express* the next morning, and the heading was: ONE VOICE ATTACKS AN EMPIRE SELLOUT.

Mr. Speaker, it is very obvious that Beverley Baxter, who normally writes as a good Conservative, has recognized in the visit on this occasion almost a caricature of 19th century Toryism, and even he was a little bit shattered by the impact of "our William" on "Old London Town." I suggest to the hon. member for Port Arthur (Mr. Wardrope) that if he wants to look into travels of Ministers of the Crown and examine the value received per dollar of expense accounts, he needn't travel as far as Ottawa. He can start looking right here at home.

To get down to what may be described as more substantive points, I would like to say a word on—the quietness, Mr. Speaker, almost surprises me—the matter of hospitalization. I think that there is a considerable misapprehension across the province of Ontario at the present time with regard to exactly what is encompassed in the hospitalization plan

which is now being presented. Because of the fact that there has been rather a loose use of such terminology as "health insurance" and "hospital insurance" throughout the last two or three years, I think there are some people in the province of Ontario who are wondering exactly what is contained in the plans which are being presented by this government in co-operation with the government in Ottawa.

I think it is well that hon. members should emphasize and recognize that at the present time the people of this province are being offered at best one-half a loaf; they are not going to get the whole loaf, so to speak, of health insurance—that would cover the medical bills as well as hospital bills—because medical bills are just as great a burden as hospital bills and the need for sharing those burdens on an insurance basis is just as great as it is for sharing hospital costs.

As has been mentioned many times, the first occasion when this promise of health insurance was made to the Canadian people by a major party was back in 1919, the Liberals.

But I think, Mr. Speaker, just to keep the historical record straight, it would be well for the hon. members of the House to recall this fact, that the first party to introduce in political platforms in Canada the issue of health insurance wasn't the Liberal party in 1919; the first parties to do that were the labour and socialist parties in the first decade of the century, parties which, interestingly enough, elected an appreciable number of people particularly in many of our provincial legislatures.

As one looks at what has happened down through the two generations since then, it is significant that in most of the countries of the free world the realization of the full health insurance scheme has been remarkably coincident with the rise and the election to power of the social democratic parties. Again it is no accident that here in Canada where a party of the same political beliefs, the CCF, did not come into the picture until later in

the day, we are one of the last countries in the world to get around to giving consideration to this kind of social legislation.

As a matter of fact, what is happening today is that the federal Liberals and the provincial Tories are joining forces to provide the people of Ontario — I talk about Ontario alone for the moment — with what the provincial government alone provided the people of Saskatchewan 11 long years ago, and did it with their own resources, did it 18 months after they were elected. So once again the relationship between the people getting this social legislation and the existence, the growth and the election of social democratic parties is a very close one.

But if you are going to cut the loaf in two in giving the people their needs, I think there is a grave danger of having some rough edges to deal with. Approaching this legislation by halves is giving rise to the problem which I touched upon briefly the other day when we were discussing the Ontario proposals for health insurance, this problem of diagnostic services, for which the hon. member for Ontario saw fit to chastise me the following day.

Diagnostic services present a problem for this reason. They are not only part of a hospital plan; some of these diagnostic services are given outside the hospitals and therefore lap over into what might be called medical services in the doctor's office. What are you going to do? How exactly do you split coverage for these services?

I make no apologies in repeating, particularly for the benefit of the hon. member for Ontario, that this government gave earnest consideration in its early studies to diagnostic services being given full coverage. Then, belatedly it emerged in discussions in the health committee, that this meant the plan was getting over, at least in part, into the field of the doctors. Undoubtedly there has been a very great deal of pressure that this field should be kept out of the government plan as long as possible.

So now we have a proposal in the Ontario plan that diagnostic services will be covered within the hospital and at some later stage consideration may be given — perhaps coincidentally, but likely at some later date — consideration will be given to the full coverage of diagnostic services.

I make no apology, once again, in stating — in fact, if you want to get a publication in the United States called *Medical Economics*, you will find that one of the highest paid groups of specialists in the medical profession are your radiologists. If your radiologists are getting the highest salaries of any group, the opposite side of the coin, as I suggested the other day, is that this is a major financial burden for the patients. It is only part of the overall problem, I agree, but it is a burden in itself, a burden upon the person who has to pay the costs, and therefore it should be shared.

This is a problem, I suggest, that we would not be facing if we were approaching the complete fulfilment of health insurance instead of going at it in halves. I do not propose spending a great deal of time with the argument of the hon. member for Ontario when he said that I was being a little unfair to criticize the doctors regarding the pressure I alleged they had been putting on the government, because the doctors are not here in the House to reply for themselves. It is so fantastic and fallacious that I can only credit it to his being a relative newcomer to this House.

The proposition that hon. members in this House cannot criticize any group because if we do we are being unfair since they do not have a representative in the House to answer back, is the kind of proposition I trust he at least privately has put to the hon. member for Port Arthur before he berated all the federal cabinet Ministers. I trust it is the kind of proposition he will put to all of these Conservative members who before the session is over — the hon. member for Dovercourt (Mr. Kerr) for example — will be getting up

and berating trade unionists when they are not here to reply.

The whole working of our duly elected Legislature would be frustrated and become meaningless if every group which might be criticized must have spokesmen here and in a position to reply immediately. I must say to the House that it was so fallacious an argument that I was a little ashamed that it came from a graduate of Queen's.

The significant thing about this interjection—and on this I want to lay more emphasis—of the hon. member for Ontario, is that it reveals how close to the surface is the opposition within the Conservative Party to this hospital proposal and any broadening of it to full health or hospital insurance in Canada. Just to show you how close to the surface is the basic antipathy of the Conservative government regarding this sort of legislation, let me quote a couple of paragraphs from the hon. member for York West, spoken while he was seconding the reply to the speech from the Throne. He said:

It is elementary that in connection with whatever plan is finally adopted, we must avoid the creation of a cumbersome and costly bureaucracy. And we must count the costs.

A costly bureaucracy is the kind of thing, of course, which anyone who has any kind of common sense is going to avoid; but "bureaucracy" is a smear word that is and has been used by the Tory party, indeed has been used by the hon. Prime Minister on occasions in the past in this House, to berate and smear the kind of proposal which is now coming in. Hon. members on the government benches are still repeating these kind of smears. But let me continue:

For example, after World War II, Great Britain rushed into a programme of wholesale socialization, some of it socialization for the sake of socializing, rather than for some more cogent reason. One of the experiments was a gigantic scheme of

state medicine and hospitalization, which programme has of necessity become subject to substantial modification.

For the hon. member's information, I would be interested in knowing what substantial modifications have been made to this plan in Britain.

HON. MR. FROST: They do not give you wigs, false teeth and things like that.

MR. MacDONALD: This is another of the smears which has been used for years, this bogey of wigs and false teeth. I would like to see the hon. member going around with an extra pair of false teeth or a wig. What good is it going to do him? This is the kind of proposition which was used to try to block health insurance for years. It is the coal in the bathtub kind of proposition. For years we were told, "You cannot provide good homes for working people, these lower classes, because if you give them better homes, they'll put coal in the bathtub." That was the kind of argument advanced for years, about low rental housing, for example. To continue with the speech of the hon. member:

There have been very many reports that the doctors are not happy with the plan, and some of the patients are objecting to line-ups at the doctors' offices, and then there is the cost item.

I can assure the hon. member for York West that in every country where they have moved to put in this kind of plan, the doctors have opposed it. I have listened to doctors — indeed I have a brother-in-law who is a doctor — berating trade unions as being closed shops and adopting a "dog in the manger" attitude with regard to some issue. Yet on something as vital as meeting the health needs of all the people, there is a long record to prove that the medical profession has persisted in a "dog in the manger" attitude of bucking this kind of social legislation

right down to the last ditch. They are doing so at the present time right in the province of Ontario.

With regard to the matter of costs, may I say to the hon. member for York West, in his reference to the British scheme: there are some up-to-date figures on this, and I do not know whether he is aware of them. We discussed this only last spring in the health committee. Dr. Malcolm Taylor, whom the hon. Prime Minister has admitted is an expert in this, gave these up-to-date figures to the committee. That is, that in Great Britain, where you had all this picayune argument — if I may borrow the favourite phrase of the hon. member for St. Andrew — against the health services, the Conservative government under Sir Anthony Eden set up a committee to look into the operation and cost and the efficiency of the plan.

About one year ago a report came down, and what did that report reveal? It revealed this—and I think it is time that hon. members in this House recognize this as a basic fact and cease this kind of argument against full health insurance — it revealed that in Great Britain the percentage of the gross national wealth of the nation which is now being devoted to their health insurance plan, in 1955 was less than the percentage that was being devoted to all the expenditures on health prior to the establishment of the plan in 1947 and 1948.

I am not saying that the plan is costing less now. Of course it had increased, but though the cost of the plan had increased it represented a smaller percentage of the gross national wealth in Great Britain in 1955 than the expenditures of the people in 1947. Yet they had full coverage.

The percentage of the gross national product had dropped from 3.75 per cent. to 3.25 per cent. in the 8-year period, and significantly enough, Mr. Speaker, let us recognize that here in Canada where Liberal and Tory governments have stalled on the issue over this plan, so that our people have inadequate coverage, we are spending over 4 per

cent. of our gross national product on health and in the United States they are spending over 5 per cent. You can not only provide health services more efficiently and give everybody complete coverage, but you can do it with an expenditure, a smaller expenditure, of the gross national product of the nation. These are facts, facts unearthed by a Conservative government that conceivably hoped for contrary evidence, but this is what came out.

HON. M. PHILLIPS (Minister of Health): Mr. Speaker, may I ask a question? Why did Saskatchewan not put in full health insurance?

HON. MR. FROST: It cost too much money.

HON. MR. PHILLIPS: I give them a lot of credit for what they have done.

MR. MacDONALD: Mr. Speaker, I will tell you why: in the first place it is a province with a relatively narrow economic base, it is almost exclusively a province based on agriculture, and when this plan was put into effect back in the 1940's they started it with hospital insurance and they did it within 18 months and did it alone.

HON. MR. PHILLIPS: I am not talking about that.

MR. MacDONALD: I am getting around to the hon. member. They proceeded immediately to divide the province into 14 health regions and with the first health region in Swift Current on January 1, 1946, they gave not hospital insurance, but complete medical coverage which was organized as a municipal service, with the people raising the —

HON. MR. PHILLIPS: That is one area only and that is as far as they went.

MR. MacDONALD: They divided the province into 14 health units.

HON. MR. PHILLIPS: That does not mean a thing. We have the province

of Ontario divided into health units, too. That is on a public health basis as there is in Swift Current, which contains about 50,000 people; they put in a complete health coverage but they did not go on with it in 1948 because they found it was going to cost the people beyond any proportion that they could pay.

HON. MR. FROST: Mr. Speaker, does the hon. member for York South know that the matter was put to a vote in one of the districts last year and they voted overwhelmingly against it?

MR. MacDONALD: The hon. Prime Minister raised that point last year, and I explained to him why it was voted down, because the plan had to be carried financially at a local level, and farmers had not received wheat payments as the wheat market had been a poor one for years. Naturally, at the local municipal level they were fully as conscious of that kind of an added burden as our municipal people are here.

It is a rather strange argument, indeed, for a government that has done nothing on this, and refuses, even now, to do anything until the federal government comes in and shares the burden, to start to berate a government which not only put this into effect in 18 months so now the people have had it for 11 years, and they did it as quickly as their means would permit to give them full health service. I noticed a story in the paper just the other day—

HON. MR. FROST: May I say, Mr. Speaker, I do not berate the Saskatchewan government. As the hon. member for York South knows, I have been most complimentary about their scheme.

MR. MacDONALD: You copied it, and emulation is the highest form of praise.

HON. MR. FROST: Mr. Speaker, I think I have been most complimentary to the Saskatchewan plan. I admit there are many ways it does not apply to us. You must remember that Saskatchewan has not gained in population. Actually,

in the last 10 years' census it has lost a little population. That, I do not attribute to their government, but I say that as a fact.

With regard to some of the remarks of the hon. member for York South, and some of the remarks I have made, it is not a matter of avoiding reforms that are possible and feasible. The problem is one of avoiding costly mistakes. When the hon. member for York South refers to this young growing country and refers us to the experience that they have had in the United Kingdom in the last 20 or 25 years in overburdening themselves with costs, it is a poor advertisement or a poor reason for us to get ourselves into a fix like that. That is the situation.

MR. MacDONALD: I always like these repeat arguments, extraneous arguments, that are brought up, but if there is one man who should not bring up the population argument it is the hon. Prime Minister, because the areas in the province which have lost most population since the turn of the century are the counties of Victoria and Grey where he comes from and where the hon. Leader of the Opposition (Mr. Oliver) comes from. I assume their population decline is because of the representation the people have got.

HON. MR. FROST: May I say you are quite wrong, you ought to study these things. Lindsay has grown 30 per cent. in the last 28 years and they are planning a new community in the upper country to hold 5,000 people, and you should go up there to see it.

MR. MacDONALD: I have been up there.

HON. MR. PHILLIPS: Why not go to the county of Grey at the same time?

MR. MacDONALD: Mr. Speaker, the point I am making is that basically the Liberal and Conservative parties are still opposed to national health insurance. No one can tell me that a party which has been propounding the idea of

national health insurance—and I am talking now of the overall, medical as well as hospital—for 37 years and has been in power for most of those years and has done nothing about it—as far as I am concerned that party is opposed to it because their actions speak louder than their words.

This government is running into the same opposition, too. As I suggested the other day, within 24 hours of the announcement of the hospital plan for Ontario, the wolves were at the hon. Prime Minister; in fact, the hon. Prime Minister admitted that a friend of his in an insurance company was opposed to this kind of thing.

I suppose I should not berate the hon. Prime Minister because he is going to have to fight on two flanks, those who are in his party and opposed to it, as well as all the political considerations.

Mr. Speaker, I want to move on to deal briefly with this question which was raised yesterday by the hon. Leader of the Opposition with regard to old age pensions. I draw to your attention that in 1950 when the old age pension was introduced in Canada without a means test the gross national product of Canada—

HON. MR. FROST: It was 1952.

MR. MacDONALD: I am almost dead certain you are wrong, but I will not argue the point. I think the legislation was passed in 1950 and it came into effect in January 1951. We will look it up and see who is right.

MR. KERR: Why do you not look it up now?

MR. MacDONALD: I have looked it up. No comments from the "pip squeaks" in the back benches. I rather enjoy some interruptions but the kind that come from the hon. member for Dovercourt would be second rate in a high school debate.

MR. KERR: You should know.

MR. MacDONALD: In 1950 or thereabouts when old age pensions—I am conceding the objection; we will find out who is wrong afterwards—in 1950 when the old age pension without a means test was passed, the gross national product of this nation—in other words, the wealth of this nation—was something over \$16 billion; today the gross national product of this nation is \$30 billion. It has been increased by 80 per cent.

Now we hear a great deal today about the Canadian people sharing in this great and growing wealth, and I would suggest to this House, that if the aged people of this nation are to share in the great and growing wealth of the nation, and share equitably, then it is a straight case of mathematics: that if they got a \$40 pension in 1950, today on an equitable basis, if they are going to get their share of the national wealth, they should be getting something approaching a \$75 pension which, incidentally, is much less than they are getting in the United States with the security plan that they have in that country.

With the federal election coming up, there are rumours coming out of Ottawa that the Liberal party is giving great consideration as to which one of the pensions they should raise—which one would get them the most votes. There is a lot of jockeying behind the scenes, no doubt, in caucus.

It is possible that the basic old age pension of \$40 a month is going to be raised but I would suggest, Mr. Speaker, through you to the hon. Prime Minister, that it is almost dead certain that no matter what is done, the old age pension in Canada is still not going to be on a level which gives our aged people an opportunity of living in decency and dignity in view of present cost of living, therefore there is going to be a margin still for the provincial government to fill by a supplement to the old age pension.

This question of a supplement to old age pensions is something that the government does a lot of talking about, but the more one examines it, the more

shameful the programme is. As a matter of fact, that really is not a provincial government programme at all. They claim credit for it but they leave the responsibility and the initiative for granting a supplement to old age pensions exclusively with the municipality. Then, if the municipality happens to be persuaded of the dire need of a certain person to the point that they will drain their already overburdened budget by giving them a supplement, the province says: "We will meet 60 per cent. of the cost."

A year ago, of the 300,000 old age pensioners in the province, there were fewer than 2,000 getting a supplement, which is a sham of a programme.

Now, what happened in the past year? I have checked and I discovered this, that today there are according to the latest figures approximately 4,100 old age pensioners in this province getting a supplement. Whereas a year ago this government was contributing in supplements to old age pensioners less than \$100,000, as a result of the doubling of those involved, they are now paying out at the rate of approximately \$50,000 a month, or from \$500,000 to \$600,000 a year.

When I discussed this programme last year, I was very critical of it and the hon. Minister of Public Welfare (Mr. Cecile) once again threw in one of those jibes about the province of Saskatchewan and what it was doing in this connection. I was rather interested in getting the details, and I think the hon. Prime Minister may also be interested in this.

The province of Saskatchewan has approximately 48,000 old age pensioners and 34 per cent. of them, or 16,000, are receiving a supplement to their old age pension. And every cent of the supplement is paid by the provincial government, no onus, no initiative is left to the municipalities who are already overburdened. But in the province of Ontario, even with the increased number, in contrast to Saskatchewan's 34 per cent. we have about 1.5 per cent. of our old age pensioners getting a supple-

ment. The province of Saskatchewan, with one-fifth the population and one-fifth the budget, is assisting old age pensioners by a figure in excess of \$1 million. This province, with 5 times the budget and 5 times the resources, is assisting its old age pensioners by little more than one-half of that figure.

Yesterday the hon. Leader of the Opposition made a comment that the quality of a government is to be judged by the treatment it accords to its senior citizens who have made their contribution to society. I agree, and on that basis this government's record is found seriously wanting, and I would suggest that if they want to make critical remarks they should first make a contrast with what has been done in the province of Saskatchewan.

MR. CHILD: Mr. Speaker, their population is only about the size of Toronto.

MR. MacDONALD: I want now to touch briefly on this bit of "old straw" that is threshed time and time again, and was threshed once more yesterday — the issue of whether or not this province is meeting 50 per cent. of the overall cost of education. The hon. Prime Minister interjected yesterday with something that can only be described as a bit of comic relief. Whatever the hon. Prime Minister may argue on the basis of this little nugget of research which someone has dug up, to the effect that the promise in 1943 of hon. George Drew was a promise to pay only 50 per cent. of the "present costs", in other words, the costs in 1943.

All I can say is that this is news; not only to hon. members, it is news to the government itself, because this is the first time this kind of argument has been trotted out. I do not know what bright research individual in the government dug up this little nugget, I hope he is well rewarded but I trust he will not be rewarded out of the public treasury, because it is not a service to the province as a whole.

However, perhaps he can be rewarded out of that well-filled party chest,

because this is obviously just another argument, a specious argument, on this question of meeting 50 per cent. of the overall cost of education.

Just to show you how specious it is, I drew the hon. Prime Minister's attention to this new wrinkle of his, and he was kind enough to give me a copy of what he said yesterday.

HON. MR. FROST: Mr. Speaker, that is not a new wrinkle, the hon. member is a new recipient of it and I hope he absorbed it better than did the hon. Leader of the Opposition.

MR. MacDONALD: I assure you I did not. You are wasting your time.

HON. MR. FROST: The hon. Leader of the Opposition has been voicing that inaccuracy for years and I have attempted to correct the situation. Yesterday I took some more radical steps to point out to the hon. Leader of the Opposition, with respect to point No. 9 of the 22 points, and would say that point No. 9 is one of the great charters of municipal liberty in this province.

MR. MacDONALD: The hon. Prime Minister had better smile. If it is possible for a man to have his tongue in both cheeks at the same time while speaking, the hon. Prime Minister can do it, or should.

But the point I want to draw to the hon. Prime Minister's attention, Mr. Speaker, is that two years ago I remember listening to a debate in this House in which opposition members tried to "nail" the government on this issue. You can take a look at the official record where the hon. Prime Minister and two or three other hon. members in the front benches twisted and squirmed throughout about 4 pages of *Hansard* rather than concede a point which they knew was valid, namely, that there is no meeting of 50 per cent. of the overall cost of education. No suggestion was made at the time that costs were to be calculated on the basis of 1943.

HON. MR. FROST: Nobody has ever said they were.

MR. MacDONALD: The point is that hon. members for Leeds (Mr. Auld), Nipissing (Mr. Chaput) and Russell (Mr. Laverne) were elected to this House in by-elections two or three years ago, and I have here the official leaflet which was used and produced by the Bay Street headquarters of the Tory party here in the province. Just let me read this note, "Point No. 9":

More than half of the overall cost of education in Ontario is paid by the Provincial Treasurer.

"Is paid", Mr. Speaker. In other words, not only admitting that it was the party to promise in 1943 but claiming that it had been fulfilled.

HON. MR. FROST: That statement is quite accurate, in Russell. I believe that in Russell the government is paying about 60 per cent. of the cost of education.

MR. MacDONALD: Mr. Speaker, I do not know whether the fact that this chamber is wired for sound has something to do with this kind of automatic applause that we receive, even though the argument may be specious, because I draw your attention, if you did not hear it perfectly in the first instance, that the leaflet claims the province of Ontario is paying 50 per cent. of the overall cost of education—not only in Leeds, not only in Nipissing, but in the whole province of Ontario.

MR. MACAULAY: That was circulated in all three.

MR. MacDONALD: This was circulated in all three. This happens to be the one for Nipissing.

HON. MR. FROST: That was true in Nipissing as well.

MR. MacDONALD: In all Ontario? Let us not argue the point further. The

further away from fulfilling that promise the government is, the more the hon. Prime Minister talks to cover up the deficiencies of his policies.

Mr. Speaker, I want to touch briefly on another issue that was raised yesterday by the hon. Leader of the Opposition with regard to the rumours that the government is going to consider raising a further two per cent. corporation tax. Now here, if there ever was a striking proof of the sham battle that goes on between the Liberals and Conservatives, who really share a common ground and spend most of the time protecting the same interests, here that proof is.

The hon. Leader of the Opposition was kind enough to refer to me as having a one-track mind and a single gauge one, at that, when I immediately picked up this proposition. He talks about all the revenues that this province must have and he spells them all out. Last on the list, advanced with most diffidence, is the proposal to increase corporation taxes. The hon. Leader of the Opposition is becoming even more Tory than the Tories, for the last source of new revenue he suggests is the proposition of raising more money from the corporations.

Now there is a simple proposition that even the hon. Leader of the Opposition will have to accept and that is, if we need more money, we have got to get the money from where the money is. And the money of this nation, increasingly, is to be found in the great corporations of this nation. Even this government recognizes it, and that is the reason why it is considering raising two per cent. from the corporations. If you do not raise it from where the money is, there is only one alternative, you have to raise it from the "little people", the people who are today bearing the costs of excessive real estate taxation, even though the hon. Prime Minister thinks it is not as high as it should be.

HON. MR. FROST: I did not say that.

MR. MacDONALD: Mr. Speaker, who is making this speech, anyway?

HON. MR. FROST: That headline was incorrect, I did not say that. I quoted a statement by the chairman of Metropolitan Toronto, which in itself did not say that either.

MR. MacDONALD: Mr. Speaker, all I ask through you of the hon. Prime Minister is that when he makes a speech, that I be permitted to interrupt him about one-third as often as he interrupts me.

HON. MR. FROST: That is quite all right.

MR. CHILD: When you are Prime Minister, you can interrupt.

MR. MacDONALD: For the benefit of the hon. member from Hamilton, the rules of the House are the same for the hon. Prime Minister as for any other hon. member. That may be something the hon. member cannot comprehend. Therefore, the hon. Prime Minister has no more right to interrupt than anyone else.

MR. CHILD: But he is talking sense.

MR. MacDONALD: We will see who is talking sense.

MR. SPEAKER: Order.

HON. MR. DUNBAR: Don't lose your head, keep your feet on the ground.

MR. MacDONALD: I'm not losing my head; I have not even lost my hair yet. I am rather interested in this latest bit of revelation of exactly where the hon. Leader of the Opposition stands on the question of raising money where the money is, and their attitude towards corporations. I am interested because two or three years ago, in fact on February 15, 1955, speaking in this Legislature, the hon. Leader of the Opposition made this comment:

But I believe that sometimes we are prone to look upon the reported figures of profits of some of these

companies with a foolish eye, and we do not dissect the statement sufficiently to find out that in many, many cases taxes imposed by governments lower their supposed profits to a very small figure indeed.

MR. OLIVER: What is wrong with that?

MR. MacDONALD: I will tell you what is wrong with it. It just has no relationship to the facts, because I also inform the hon. Leader of the Opposition, who the hon. Prime Minister rather harshly says is abysmally ignorant—and on this point apparently the hon. Prime Minister is quite correct—that at the present time his friends in Ottawa are indulging in a highly ineffective procedure to try to curb credit in this nation, the so-called “credit squeeze.” The Rt. hon. Prime Minister is complaining about it, our municipalities are complaining about it, and every small businessman who goes to the bank and is faced with a resounding “no” is complaining about it. And one of the reasons why it is ineffective is because there is still the same amount of money chasing the too few goods, and creating inflation. And why? I will tell the hon. member, if he does not know.

The Gordon report indicates that since the end of the war, capital investment in Canada is \$52 billion. Half of that capital investment in Canada has been made by corporations, \$24 billion to \$25 billion of it. Where did they get their money to make that investment? Eighteen billion of it was internally generated reserves; \$7 billion of it was undistributed profits; \$11 billion was what they call depreciation allowances. So that when the corporations of this nation go out and invest today as they have invested \$24 billion or \$25 billion, three-quarters of the money they have invested, they have got in their treasury at the present time.

They have it because of the laws of the Liberal government in Ottawa, which I suggest has become even more solicitous than the Tories have shown

on some occasions in the past in the interests of the big corporations. As a result, policies of the Liberal government at Ottawa are ineffective through the present procedures on curbing credit, because they exercise no control over these expenditures on the part of corporations.

In spite of this, the hon. Leader of the Opposition puts as a last priority the idea that we should raise more money from corporations.

Yesterday, when I listened to the hon. Leader of the Opposition making his comment, I remembered that very significant comment of the great Agnes McPhail—a comment which was made, I think, in this House. I am sure she was commenting more in sorrow than in anger as she looked at the hon. Leader of the Opposition, a former colleague who started in a farm protest movement when they knew who their enemies were in the economic field. Miss McPhail observed that “There isn’t room for two Tory parties in this nation.” And neither there is.

However, Mr. Speaker, I want to leave further discussion of this question because it falls more appropriately into the question of the budget and taxes and related problems which will be debated later. I hope the hon. Leader of the Opposition has learned something in the meantime.

MR. OLIVER: Oh, I have. I keep learning about you all the time.

MR. SPEAKER: Order.

HON. MR. FROST: Do not start fighting among yourselves now.

MR. MacDONALD: You can see they are on common ground, look at the protest by the Liberal-Conservatives here. I want to deal for a moment with the question which the hon. Prime Minister raised again this afternoon, the question of a special committee which the government has announced to look into the whole question of Metropolitan Toronto and how its gov-

ernment should be reshaped from this point forward.

I want to say in all sincerity to the hon. Prime Minister that I have rarely heard a more unconvincing explanation than he gave in this House yesterday. This proposition of setting up a committee to look into a piece of legislation which this Legislature passed, and clothing that committee with the powers of a royal commission, so that it can do anything a royal commission can do, and yet making that body an exclusively partisan one, I suggest to the hon. Prime Minister that this is a completely unprecedented thing, violating the traditions of this Legislature. The longer the hon. Prime Minister talks and the more explanations he gives, the more obvious it is—I think that deep down in his heart he knows it is a mistake—that he is trying to bring in a lot of elaborate suggestions, such as this legislative committee of metropolitan area members merely to cover up his first mistake. I will come back to this legislative committee in a minute.

Consider the argument, for example, with reference to myself. There is some embarrassment in this but I am not going to be inhibited by it, because the fact remains that I happen to be the only opposition member in the metropolitan area. The argument that the hon. Prime Minister gave yesterday that he would have liked to see me on the committee but that I had no experience in municipal affairs is even more fallacious than the kind of argument which the hon. member for Ontario trotted out last week.

Clearly, people who are on the toll roads committee, people who are on the air pollution committee, are not put on those committees because they are experts. Quite apart from that, I think I can say in all modesty that while I have not sat on a municipal council in this metropolitan area, I have followed the affairs of the metropolitan area very closely, have some ideas regarding them, and I trust could sit and listen to the evidence intelligently, and share in the decision as to where we are going to go from here.

Despite the fact that the hon. Prime Minister operates with a sort of "iron fist in a velvet glove" as far as politics are concerned, behind that sweet smile that he can turn on at the drop of a hat, he is a pretty ruthless fellow, as some of you have found out. Do not laugh.

MR. CHILD: Just speak for yourself.

MR. SPEAKER: Order.

MR. MacDONALD: I am speaking for myself, but for the moment I was just speaking for you too. I must concede that when I heard the announcement of this special committee, I was astounded. I can say quite honestly that I did not think that the hon. Prime Minister would have stooped to this, for I am certain that this is a case of gross violation of the traditions of this Legislature. I have listened to members of his party berate the Liberals in Ottawa for this very violation of parliamentary right and traditions.

HON. MR. FROST: Mr. Speaker —

MR. MacDONALD: Let me finish, you can talk later. I do not concede the floor, Mr. Speaker.

MR. SPEAKER: Order, order.

HON. MR. FROST: Might I just make a point?

MR. MacDONALD: No, you might not, Mr. Speaker said no. And with all the respect that I have for the hon. Prime Minister, there is a certain point beyond which the rules of the House should not be violated in his favour.

HON. MR. FROST: May I point out that it would not be a violation?

MR. MacDONALD: He is going to have his own way.

HON. MR. FROST: It would not be a violation if the hon. member would agree to my pointing this out to him, and I know he wants to be fair.

MR. MacDONALD: I will agree, if the hon. Prime Minister will come to a bargain that I may interrupt his speeches one-third as many times as he does mine.

HON. MR. FROST: Mr. Speaker, certainly I will agree with that right now. I have always invited interruptions, I enjoy them.

I want the hon. member to get his argument on correct promises. The committee that I have appointed in connection with Metropolitan Toronto, is not a parliamentary committee.

MR. MacDONALD: It should be.

HON. MR. FROST: If it had been a committee of this House, of course there would be representatives of the various parties. I did not appoint this as a parliamentary committee.

MR. MacDONALD: You are evading the point. It is a partisan committee, certainly it is not a parliamentary committee, a parliamentary committee means that all parties are represented.

MR. SPEAKER: Order, order.

HON. MR. FROST: Mr. Speaker, this is a separate committee, just the same as a committee might be appointed composed of certain people, for instance, in the water resources committee, I appointed some citizens here to investigate it before the creation of a commission. I did not attempt to find out what the political leanings of these individuals were or anything of the sort, they were appointed because they were men who had knowledge of the subject. I point out to the hon. member that this is not a parliamentary committee and that, concerning the hon. members from the House who were put on the committee, the fact that they are members of the House is purely coincidental.

MR. MacDONALD: Oh, now! If the hon. Prime Minister is going to have something sensible to say, I will listen, but this is pure guff. Of course, it is not

a parliamentary committee, if it were a parliamentary committee all parties would be represented on it, and that is the point I am making. When I was interrupted I was saying that this party that I am looking at across the floor had berated the Liberals at Ottawa, and with justification, for what some Tory editorial writers have described as the "rape of Parliament", a violation of the traditional rights and procedures of Parliament. Now, the hon. Prime Minister comes along and does the same.

All I can say is to suggest that some time soon he should go home and have a little chat with his conscience, take a look at himself in the mirror, because there is an old dictum of political science which warns that "power corrupteth." It is rather significant that the hon. Prime Minister, backed by his overwhelming majority, can do this kind of thing, and not realize the significance of his action.

HON. MR. FROST: Oh, the hon. member is on the wrong ground.

MR. MacDONALD: The water resources commission was made up of experts, all of them were outside this House, and they looked into the situation. I do not know what their politics were, I am not interested. But when the hon. Prime Minister set up a committee, he chose Mr. Cumming, the author of the report upon which Metropolitan Toronto was based; nobody can criticize that at all. I am not criticizing the choice of 4 Tories on the committee. They have all had experience in municipal affairs, and are competent to do this job.

However, the hon. Prime Minister cannot argue for one moment that it is justifiable to leave off opposition parties in this kind of a legislative committee, and then offer the sop, the salve which the hon. Prime Minister now offers, of setting up another committee with all the members of Metropolitan Toronto sitting on it.

We have committees now which look at bills amending the metropolitan situa-

tion, just as we have committees for other bills. This offer is just a sop. You send 4 of your boys off to create a new structure for Metropolitan Toronto while the rest of the metropolitan members are left with the job of patching the old one. I will sit on this committee if you set it up because these Tories have to be watched, and unfortunately I am the only opposition member in the area to do the watching. The fact of the matter is that all the Liberal candidates were defeated in the metropolitan area.

HON. MR. FROST: Mr. Speaker, may I say that one reason is they opposed Bill No. 80, and that is one of the reasons they were defeated.

MR. MacDONALD: Mr. Speaker, everybody makes mistakes, even the hon. Prime Minister. But there is another reason why I plead with the hon. Prime Minister to add opposition members to the committee. The problems of Metropolitan Toronto today are exceedingly complicated problems. They represent one-quarter of the people of the province of Ontario, one-half of the revenue of the province of Ontario. At present, pressures are creating unrest that is close to revolt in some municipal areas. It is going to be tough enough to settle these issues and to do it objectively.

But, what the hon. Prime Minister has done by setting up a partisan committee is inevitably to complicate the solutions of this problem even more. There will only be the Tory members on it, and we know what can happen on committees—do not kid us for a moment, for the pipe line reaches back sometimes for instructions as to what the cabinet wants. Whether it is true or not, the people will say this group is simply set up to bring in and whitewash what the government wants to do.

I will not argue the point any more. The hon. Prime Minister has shown a capacity for recognizing mistakes in the past, and being big enough to acknowledge them. This is a mistake, and he knows it is a mistake, and I trust he is big enough to do something about it.

HON. MR. FROST: The only possible mistake would be—

MR. MacDONALD: That you left the opposition parties off.

HON. MR. FROST: No, with these men, could you choose possibly a better balance or a better representation for a committee—that committee?

MR. MacDONALD: A Tory committee, sure it is a Tory committee; how are you going to argue anything else? There are nothing but Tories on it.

HON. MR. FROST: The members of the committee are all experienced in Metropolitan Toronto. Mr. Cumming, the chairman, is the author of the Cumming report on which Bill No. 80 was based. There are on his committee two former representatives of the city of Toronto on the metropolitan council and two from the outside. These are men with vast experience and I do not know where you possibly could get men with more knowledge. I would point out that this is not a parliamentary committee and I do not really know why they should be disqualified from sitting on a committee because they are hon. members of the Legislature.

MR. MacDONALD: If this is not a parliamentary committee, why did you put legislators on it? I make this suggestion to the hon. Prime Minister: keep 4 Conservative hon. members on the committee, with Mr. Cumming as chairman, but there is no reason in the wide world why there cannot be two Liberal hon. members and one CCF hon. member, and the government would still have a majority. That would be a fair kind of set-up. That would be a committee which would be a genuine committee of this Legislature and would not be a violation of the rights of this Legislature.

If the hon. Prime Minister wants to proceed with what he has, I warn him now this is going to be regarded as a partisan committee, and any proposal it makes is immediately going to run afoul of partisanship reactions and criticism.

I will leave the matter right there because, as I suggest, the hon. Prime Minister can be big enough to recognize his mistake, and not try to compensate for it by throwing sops in the form of other committees.

I want to deal briefly with the question of—

HON. MR FROST: I think when we are all through the hon. member for York South will be pleased and satisfied.

MR. CHILD: You cannot please him no matter what you do.

MR. MacDONALD: This is another—

MR. SPEAKER: The hon. member will continue with his speech; we are not going to have any more interruptions.

MR. MacDONALD: Let us not make it too dull, Mr. Speaker. I want to deal for a moment with the question of agriculture. The hon. Leader of the Opposition yesterday dealt with it at some length, but I feel this is an important enough topic that there must be a great deal more serious thought given to it. The situation at the moment is—I think one can accurately describe it—one of agriculture at the crossroads.

If you take a look at some of the figures given in the report of the Gordon Commission, you will see a trend recorded with the cold finality of a funeral notice. We are told, for instance, that in 1946, 25 per cent. of the Canadian people were gainfully employed in agriculture; in 1955 this 25 per cent. had dropped to 15 per cent., and the Gordon Commission predicts that in 1980 only 7 per cent. of the people will be employed in agriculture.

We are told that today 12 per cent. of our national income is derived from agriculture; by 1980 only 6 per cent. of our national income is going to come from agriculture. The Gordon Com-

mission makes what, to me, is a shocking kind of proposition—that all plans for irrigation development, such as the south Saskatchewan dam and similar projects across the nation, should be stopped for the simple reason that if we go ahead with these plans we are going to bring more land into production and this will create surpluses, and pose a political and economical problem—this, at a time when two-thirds of the human family is going to bed hungry every night.

These projects which should be developed for the benefit of the human family as a whole are now being cancelled so as to curtail production, in order not to create an embarrassing economic problem.

I was rather interested to notice last week the comments of the former Premier, Mr. E. C. Drury, at a convention in Toronto, referring to speeches of Rt. hon Prime Minister St. Laurent about the amount of land in the province of Ontario that should be taken out of production. He summed it all up as “a counsel of despair” as far as agriculture is concerned.

If you take a look at the economics of the situation, here we have an equally gloomy picture. Agriculture in the decade from 1941 to 1951 pulled itself out of the depression. During those years I think it may be said that agriculture, if at any time, achieved what farmers have always sought—parity, a parity in relation to other sectors of the economy. During those years, too, governments, which, normally not sympathetic to the cause of agriculture, were forced because of the exigencies of the war to give to agriculture the kind of square deal it had not previously received. Agriculture was cautioned it would not be a patriotic thing to do in World War II what had been done in World War I—to gouge the consumer with prices that really hit the sky. They were cautioned and asked to accept moderate prices for their products, and as a compensation the government in Ottawa assured them that they would work out and maintain

long-term contracts with Great Britain to handle their surpluses.

The farmers were promised that one of their sizeable costs of production, fertilizer, would be reduced by taking the ammonium nitrate plants in use during the war to produce ammunition, and turning them to produce fertilizer, as publicly-owned projects — providing fertilizer to farmers at cost.

However, farmers were betrayed—there is simply no other word to use. They were given these promises as part of their bargain, and 5 years later all these promises were gone out the window.

Agricultural producers for years had been talking about the need for building what is described as a world food bank, some sort of an international organization which would take the surpluses that glut the market in a surplus-production country like Canada—take those surpluses and hold them, if necessary, until financial means had been derived to get the food to the people who need it. There is still a large proportion of the human family in great need of food all the time.

We had the spectacle in this nation of the hon. federal Minister of Agriculture, "Jimmy Gardiner", admittedly doing nothing more than what the cabinet dictated he must do—scuttling this world food bank which could have provided the basic machinery to cope with the agricultural surpluses of Canada.

That was the situation until 1951. Those were the years when agriculture had presumably as close to a parity position within the Canadian economy as it ever had at any other time.

What I want to draw to the attention of the House is this: in 1951 we had a census, and this census provided information as to the position of farmers in the agricultural community and the normal amenities that they had acquired, as compared, for instance, with other groups of the population.

It points out, for instance — these are figures contained in a brief presented

jointly by the Interprovincial Farmers' Union and the Canadian Labour Congress to the federal government about two months ago, December 5, 1956 — it points out that if one takes all the farmers with over 70 acres — in other words, large farms, not small part-time operations — one finds that 39 out of every 100 farmers are doing their farming without a tractor; 47 out of 100 have no automobile; 69 have no trucks; 73 do not have a gasoline engine and 81 out of 100 do not have an electric motor.

The brief goes on to point out, for instance, that 66 per cent. of the farm housewives enjoy the convenience of a power washing machine as compared with 74 per cent. of non-farm housewives across the nation; that only 44 per cent. of farm homes have a telephone as compared with 63 per cent. of non-farm homes. Only 33 per cent. of farm homes have a piped-in water supply as compared with 83 per cent. of non-farm homes, and even those who have water piped in, frequently lack the facilities that go with it. Thirty-three per cent. have water but only 20 per cent. have a flush toilet and only 16 per cent. a tub or shower.

HON. MR. GOODFELLOW: There is quite a difference between Ontario and Canada.

MR. MacDONALD: It is possible the conditions in Ontario are somewhat better, on the average, but let me come to that because there is another interesting factor in relation to the Ontario agricultural income. The point is that at the end of a decade in which agriculture pulled itself out of a depression, in which it was granted, through government policies, as close to parity as agriculture has ever had, such was the condition in 1951 of the agricultural community in relation to the rest of Canada. Obviously it is not one that can be described as parity.

The other important thing is, since 1951 agriculture has "hit the skids." In 1951 the agricultural income reached a peak, and while the rest of the economy

booms on, agricultural income has been dropping. Last year it increased across this nation — some 10 or 12 per cent. — but in relation to the point which the hon. Minister of Agriculture (Mr. Goodfellow) has now raised, I draw his attention to the fact that, whereas the agricultural income across this nation as a whole increased something like 12 per cent., in Ontario, agriculture barely held its own.

HON. MR. GOODFELLOW: That is on account of the wheat sales in the west.

MR. MacDONALD: Agreed — the wheat sales in the west. But the point still is that agriculture today is at the crossroads: having gained something approaching parity in the decade of 1941 to 1951, it has slipped to the present position. There is no indication that it is going to regain even the position of 1951; in fact, as far as Ontario is concerned in 1956, it no more than held its own.

What disturbs me is this: farmers have suffered a sort of second-rate position in the economy for so long that they are permitting themselves to be lulled into accepting the same situation again. I remember two or three years ago — I think it was the last budget the hon. Prime Minister delivered as Provincial Treasurer — when the only comment in his budget was the one I quoted last year, a beautiful bit of prose-poetry: "Rippling the broad surface Ontario's industrial prosperity is the downward trend of farm prices . . ." At the time farm prices had dropped one-quarter, and in the eyes of this government, basically a businessman's government, it was a mere ripple in the general prosperity of the province.

Last fall I had the pleasure of listening — and having listened to it I can vouch for the accuracy of it — the hon. Minister of Agriculture speaking to the Ontario Federation of Agriculture convention. The *Globe and Mail* initial

paragraph of the report of his speech rather set the whole tone:

Agriculture Minister Goodfellow, whose open-door policy has already become a familiar phrase to rural Ontario, told Ontario farmers that they were not going to be spoon-fed into an era of unearned prosperity.

If I ever heard of a man setting up a straw man and then beating it to death, that is it.

HON. MR. GOODFELLOW: Read the rest of it.

MR. MacDONALD: I have read it. To say to farmers whose income had dropped 25 per cent. since 1951 that we must go cautiously in restoring their position is surely an idle precaution. Hon. "Jimmy" Gardiner's counterpart for this sort of argument is that we cannot consider parity on anything like the American basis because it will produce surpluses. In short, the gist of the argument is that in case we might produce a problem while meeting farm needs, let us not meet farm needs at all. At all costs, we cannot risk molly-coddling farmers into an era of unearned prosperity.

This is the kind of thing that happens to farmers with governments which are basically dominated by business; it has happened down through the generations, and it is happening again. The farmers are in effect being asked to accept a second-rate position in the economy and there is every indication that with governments lining up as they are, this may be just what they are going to have to do.

The hon. Leader of the Opposition yesterday talked about the need for greater research; nobody could deny that the more research we have to make our farms more efficient, the better. The hon. Prime Minister in reply spoke about the marketing legislation. Certainly we have to have effective marketing legislation, and if there are any deficiencies emerging from the decisions of the Supreme Court, we should do

something to meet those deficiencies, because marketing legislation merely gives the farmers the means with which they can help themselves.

I want to suggest, Mr. Speaker, to this House and to this government that better research, better marketing legislation, are not going to meet the basic needs of the agricultural community, because the basic need of the agricultural community is to assure it of an income that will restore it to a position of parity from which it has slipped, if indeed it ever had it. For let us remember, the information revealed in the census of 1951 indicates that agriculture was still far behind after the only decade in which presumably they had achieved parity. I suggest that the only way you can get for agriculture a basis of parity is that agriculture's position in the community has to be planned. This, of course, is difficult, if not impossible for a so-called free enterprise government.

Parity can be achieved by a structure of what is known as forward pricing, the kind of proposition that guarantees to a farmer at the beginning of a planting season or at the beginning of a breeding season that he will at least be guaranteed his basic costs of production. If the market position is such that there is a great demand for the produce, he will get more, but at least he will get his costs of production and a fair profit. That is the structure of forward pricing.

It is flexible enough that if it is discovered that we are producing surpluses, the basic price can be reduced sufficiently to remove this problem which agricultural leaders and spokesmen of government are worried about, "inefficient farmers." If inefficient farmers are being subsidized to stay in the industry, you can by means of the forward pricing structure cope with that kind of situation.

But, for heaven's sake, let us not become victims of the bogey that if we do something about a forward pricing structure, we will accumulate surpluses. This is the kind of thing the hon. Mr. Gardiner at Ottawa for the last decade has run like mad to avoid. He scuttled

the long-term contracts and drastically reduced the production of the Canadian nation on the ground that if they produced to their capacity, as they had done during the war, then the government would not have been able to cope with the surpluses. The businessmen who sit in the cabinet with him have no sympathy for agriculture, and I suspect that basically the majority of this cabinet have no more sympathy than the one in Ottawa; that the hon. Minister of Agriculture may be just as lonely here as hon. "Jimmy" Gardiner in Ottawa.

HON. MR. FROST: The hon. member for York South has come across with that several times. This government takes the very opposite view, and it includes many of the leading farmers of Ontario. May I state my own position there?

MR. MacDONALD: Is the hon. Prime Minister a farmer today, or a merchant, a lawyer, or what?

HON. MR. FROST: I come from old rural Ontario. When it comes to dealing with big business, I think Hydro is big business in a very large way, and who did I put down there, with the consent of His Honour the Lieutenant-Governor? A dirt farmer from Wentworth County.

MR. MacDONALD: And, Mr. Speaker, the hon. Prime Minister did it because at that point he had only two representatives of the agricultural community in the cabinet and he wanted to build it up because he knew it was under-represented.

HON. MR. FROST: Do you not think I did a pretty good job?

MR. MacDONALD: What I state is a fact.

HON. MR. FROST: That it was a good job?

MR. MacDONALD: I just want to conclude on this question of agriculture—it is a very complex one and we have

not time to go into it in detail—by pointing out this very significant fact, which I think more than any other single fact reveals the position in which agriculture today in the province of Ontario finds itself. I am quoting one paragraph from the brief of the Ontario government to the Gordon Commission, on page 23:

An additional complication is that the majority of practicing farmers have entered the industry since 1945 and many do not have the resources to survive a prolonged cost-price squeeze.

Mr. Speaker, I would like to have the House for one moment consider the significance of that statement. I think it can be said that traditionally throughout Canadian history, agriculture has been regarded as the most stable industry, the basis of our economy, an industry in which people stay because it is not so much an industry as a way of life. And here we have a revelation from this government that the situation in the last 10 years is such that actually half of the people in agriculture today are newcomers.

Agriculture, Mr. Speaker, has become an industry of transients. Half of them are newcomers since 1945. Add to that the drop in income, with no approach to parity in the overall picture, in fact with the frank admission of the government itself that because they are newcomers, most farmers cannot sustain the impact of a cost-price squeeze, and you see why farmers may become even more transient.

I repeat, agriculture will be able to get its position in the economy of this nation, and of this province, only if we are willing to plan and give it its just deserts. That requires not only research, not only marketing legislation, because farmers as an increasingly smaller proportion of people and of national income are negotiating from a position of increasing weakness against the other groups in the economy—the only way that they can get their just deserts is if we have governments that

are fundamentally sympathetic to them, and are able to work out pricing arrangements, forward pricing on a flexible basis, which will give agriculture a just position in our economy.

MR. NIXON: Mr. Speaker, may I ask the hon. member, how would you work that out in detail?

MR. MacDONALD: Well, that is one thing that I had in mind a moment ago when I said I did not want to go into the details at this time. However, let me answer the question this way. If you go to Great Britain, if you go to any of the Scandinavian countries, this has been put into force. Indeed, the Gordon report suggests the establishment of a board to fix the price basis, rather than having some inflexible kind of formula as they have in the United States, a board of economists and other people who study the changing cost of production and the changing needs of the industry and work out what they think is a fair forward price to meet the costs of the farmer and to give him a fair return at the beginning of the planting season and at the beginning of the breeding season.

I am frankly admitting that I am going to evade going into any more detail, but I think the real answer to the hon. member for Brant is that I am not talking about something that is a theory, I am talking about something that has been in operation and has proven to be both flexible and efficient in Great Britain and in the Scandinavian countries now for many years.

HON. MR. FROST: Of course, the hon. member for York South is referring to a matter which could not be operated provincially but which has to be done on a national basis.

MR. MacDONALD: For the most part the hon. Prime Minister is correct. However, there is a federal election coming and as he pointed out to us it will perhaps look after this matter. I am taking the lead from the mover and his seconder on this issue to see if

we cannot fire the odd salvo in the direction of Ottawa.

HON. MR. FROST: You are throwing a shot across their bows, is that it?

MR. MacDONALD: Mr. Speaker, I want finally to turn to what I think has been very sadly neglected in the debates in this House and that is at least the distribution aspect, if not the whole question of the emergence of natural gas into the economy of this province.

At the outset I want to separate the national problem of the trans-Canada pipe line from the local problem of distribution, because the former falls wholly within the federal jurisdiction. But since this government has entered into an agreement with the federal government we are not talking about purely federal matters, this comes within the jurisdiction of this Legislature as well.

Last year when we discussed this matter in the Legislature at the time that the government brought a bill before us, I expressed some pretty strong criticisms of features in that agreement which took the Ontario government into partnership with Ottawa in order to build the northern Ontario link of the trans-Canada pipe line. I expressed criticism of it because I think it is a basically unsound proposition that a group of private promoters who have been given the job of building this trans-Canada line should, after prolonged delays, come back to the governments involved and say: "We will not, or we cannot, build that portion of the line which is most difficult and will be least profitable, and therefore we drop this on your doorstep to be met by public funds."

What we should remember about this, Mr. Speaker, is that the two or three major American companies back of trans-Canada pipe lines, namely the parent companies, are exceedingly wealthy corporations. As a matter of fact, one of those companies alone has undistributed profits of twice the figure that is required to build the whole trans-Canada pipe line.

So we were treated in this nation last spring to the spectacle of these barefooted millionaires from Texas coming up and pleading for governments to assume the responsibility for building what was the most difficult and least profitable section of the line. It was, to say the least, a highly unattractive kind of thing, so unattractive, as a matter of fact, that—and here I will anticipate the hon. Prime Minister—he expressed opposition himself.

HON. MR. FROST: I just want to keep the record clear and point out that the bill concerning the northern Ontario pipe line which came before this Legislature last year passed with the vote of the hon. member for York South and all his followers.

MR. MacDONALD: That is right, and I will come back to that in a moment. What happened when the Ontario government got together with the federal government and agreed to build this northern Ontario pipe line was, in effect, to guarantee the profits of a line through the most difficult area.

HON. MR. FROST: That is right, and the hon. member of York South voted for it.

MR. MacDONALD: And I expressed very frankly my dissatisfaction with the whole thing, and this House and, indeed, the hon. Prime Minister himself, indicated that he had some basic dissatisfaction, and at least one hon. member on the Conservative benches got up and expressed some misgivings.

However, there are two other reasons why I think this proposal of last spring is not a good one and one which we should remind ourselves of, even if we are "stuck with it", as indeed we are stuck now.

HON. MR. PORTER: With your support.

MR. MacDONALD: We will come to that in a minute. Let us remind our-

selves that the agreement between the Crown corporation and Trans-Canada Pipe Lines is that they will pay a rental on the basis of the volume of gas that comes through the line. At the end of 4 years this basic rental, calculated on volume, will be augmented by a further additional charge of one per cent. of the capital invested.

That is the rental, but when we read in the Glassco report that the government had prepared, we find this astounding thing. I raised this in the House last year, but the more I think of it the more absolutely astounding it seems to me, that after you calculate the rental, if it is discovered that the rental is not sufficient to cover the capitalization and administrative costs, the company faces no obligation. If I may read the paragraph from the Glassco report:

There is no provision in the present proposal whereby the Crown corporation is guaranteed a rental sufficient to meet its interest and administrative costs and leave something over to permit amortization of the line.

There is no guarantee of it, but, on the other hand, Mr. Speaker, if perchance the rental on behalf of volume exceeds 3.5 per cent. of the capitalization, which they consider is enough to meet interest on their capital, then the excess by which it exceeds 3.5 per cent. will be used to reduce the price at which they will eventually be able to buy this northern Ontario section.

In other words, the thing is loaded in favour of the company. If there is not enough rental to pay the carrying charges, we the people of Ontario, through the province of Ontario and the federal government, have to meet the deficiency. On the other hand, if the rental exceeds 3.5 per cent. for paying administrative and carrying charges, then the company gets the benefit of it.

That is the first point I want to make. The second is this — and if the first is astounding, the next point, it strikes me, Mr. Speaker, is even more astounding: at any time within the next 25 years

Trans-Canada Pipe Lines, which refused to build this link in northern Ontario, is not only going to have permission to buy the link built by public funds, indeed there are going to be pressures from about 1961 on to force them to buy it back. But when they buy it back, if they do so in 1965 or 1970, when this line, built at a cost of \$130 million or so has become a developed project worth \$200 million or \$250 million, they will buy it back at the original cost price. Is the hon. Provincial Treasurer (Mr. Porter) denying that?

HON. D. PORTER (Provincial Treasurer): No, I would have to refresh my memory.

MR. MacDONALD: You bet you will have to refresh your memory, and I have.

HON. MR. PORTER: I know, but the hon. member for York South very often refreshes his memory, but even then it seems to be faulty at times. My recollection is that, in the agreement between the federal government and the companies, there were certain provisions which would make it almost essential for this company to buy out the line within a certain time, otherwise they will be charged considerably more.

MR. MacDONALD: I said a moment ago, that from 1961 on there are clauses in the contract which force them, or put pressure on them, to buy it sooner rather than later.

HON. MR. PORTER: That is right.

MR. MacDONALD: But the point I am making is that when they buy it back, they do not buy it back at the future value of the company, which will then be much in excess of \$130 million, when it is a developed company, they are able to buy it back at the price which the people of Canada put into it.

HON. MR. PORTER: That is right.

MR. MacDONALD: In fact, even less than that.

HON. MR. PORTER: That was all explained and understood. There was no question about that at all.

MR. MacDONALD: The fact that it was explained doesn't make it any more acceptable.

HON. MR. PORTER: And the hon. member for York South voted for this.

MR. MacDONALD: It is a rotten deal.

HON. MR. PORTER: You voted, then, for a rotten deal, according to you.

MR. MacDONALD: I agree, I voted for a rotten deal, but I will tell you why I voted for it. I am not going to evade this objection of yours.

HON. MR. FROST: I would not want the hon. member for York South to accuse us of that.

MR. MacDONALD: We have a couple of jack-in-the-boxes over there, Mr. Speaker.

HON. MR. FROST: The agreement made between the government of Ontario and the government of Canada was not one which in any way involved a contract between this province and Trans-Canada Pipe Lines.

MR. MacDONALD: But you accepted it.

HON. MR. FROST: That is right, but, remember, our deal is with the federal government and we protected the people of Ontario so that they would get all their money back, with going rates of interest. That is the deal the hon. member for York South voted for, and I think it was a fair deal.

MR. MacDONALD: Certainly we voted for it, we voted for it because this government said: "We do not like it, we are not completely satisfied with it," and the hon. Prime Minister said, or at

least this is a pretty accurate paraphrase: "We have no alternative, this is all the federal government will do," and we voted for it because, as I stated in this House, a pipe line throughout northern Ontario is one of the most vital needs for the development of northern Ontario.

We voted for it because there were certain conditions in this thing and because of certain information that was given to the House. We voted for it because in it there was a clause, for example, that as of May 1st, if this group of promoters, who had already violated their word on numerous occasions, should once again violate their word and not be in a position to proceed, there was an escape clause that this government could legally get out of the deal. Nevertheless, when May 1st came, this government chose to stay in the deal, even when it had a possibility of getting out of it. This escape clause, the government presumably insisted should be in there.

I would like to ask the hon. Prime Minister why he did not get out of the deal. How much longer does this government, as well as the government at Ottawa, have to be "kicked in the teeth" by a group of promoters who have violated their word and not fulfilled their promises, before this government finally has had enough? This government had an opportunity to get out of this deal and chose not to get out of it, so it is "stuck" with it.

HON. MR. FROST: First of all, may I point out that I said in the House and my colleagues said in the House that there were many things about the federal government's position we did not like and we would have preferred something else. I said that, of course, and I would say that now.

On the other hand, here was the situation on May 1st last and it is the situation now: We regard the future of this country and the power requirements of this country as very fundamental. We have appointed our directors to the northern Ontario pipe line board. I think

hon. members opposite will agree that Dr. Walters is a very able representative of this province, and there is also Mr. McKee, a very well-known authority on matters of this sort, and they are our representatives. Now, what would the hon. member for York South do?

It is true that on May 1st there was great controversy on this matter. There may be some controversy yet in connection with it. The hon. member is not clearly satisfied that perhaps the federal government's deal with Trans-Canada Pipe Lines was the best. I think perhaps that would be our position here. Nevertheless, here is our situation: are we going to go ahead with this project which is vital to the country, or are we going to throw it back into the chaos, misunderstanding and inaction from which I think we rescued this matter starting with the year 1952?

I would say to the hon. member that we cannot afford to turn back on this. I hope that Trans-Canada is able to finance itself and go ahead. What is the alternative? The alternative is to throw it back into the chaos of re-discussions on this matter and attempt to let somebody else do it, with the result that we turn back the hands of prosperity for perhaps some years—a great mistake.

MR. MacDONALD: Mr. Speaker, as usual, the hon. Prime Minister has buried my point in a sort of deluge of words, and now I have to rescue it. My point is simply this: the hon. Prime Minister's government signed this contract with a clause in it that if this group of American promoters once again violated their word and did not do what they had promised to do, then we were not obligated to go along with them. When May 1st came, they violated their word again, yet the government stayed in.

Mr. Speaker, this is the interesting thing. This has produced in the House of Commons one of the most violent parliamentary explosions we have had perhaps since Confederation. This was one of the most shocking episodes in our Canadian history. For months, in fact for years, our government had

been pleading with a group of promoters who had been given the franchise to do a job. They did not do it, they violated their contract down the line repeatedly, and on May 1st they violated it again. Were they repentant? Did they come and say, this is unfortunate? No. They came to the government and, in effect, put a pistol to the head of the federal government and said "either you pass this bill by June 5th and loan us \$80 million to build the prairie section of the line, or we will not do it." And the government in a weak-kneed fashion bowed to them.

My chief objection is this, Mr. Speaker, that because the Ontario government refused to get out of the deal on May 1st, it helped to set the stage for that kind of "schmozzle." It is idle for the hon. Prime Minister to get up and plead that to have withdrawn would have created chaos. There was chaos anyway—when he stayed in. If the hon. Prime Minister had "gotten out" of the deal, as he had the legal, and certainly after the conduct of these people, the moral, right to get out, he would have forced the federal government to do what he basically wanted them to do—that is to build the trans-Canada line as a publicly-owned line.

The Rt. hon. C. D. Howe and a few others who represent northern Ontario, could not go back to an electorate with a federal election coming up without having built a line when the private operators to whom they had given the contract had failed to do the job.

I am arguing a might-have-been in history, I recognize, but I am convinced in my own mind that if this government had got out, they would have forced the federal government to do what was wanted, namely, they would have built the pipe line as a publicly-owned project. If they had done that—and this is a point I want to get around to in a moment—we would have got, with that aspect of the line, power at cost instead of power with a huge subsidy given to these barefoot millionaires from Texas.

Certainly, our party voted for the bill last year, but I have every confidence and every conviction in saying to the hon. Prime Minister that today we would not vote for the bill.

There is a second reason. That is that the hon. Prime Minister came into this House and told us that we had to rush this thing—this proved to be the “C. D. Howe” technique, too, when the matter came before federal parliament. We had to rush this thing because, the hon. Prime Minister declared, the province of Ontario was faced with an imminent power shortage.

Now, the interesting thing is that after the hon. Prime Minister had repeated this statement for months on end, apparently it so got under the skin of two people who presumably know what the power situation is in this province, namely commissioner Ross Strike and general manager Mr. Manby, in which they pulled the rug completely from under the hon. Prime Minister.

HON. MR. FROST: Oh, no.

MR. MacDONALD: Oh, yes, they did. Yes, they did. Do not deny it. The fact of the matter is that two of the top officials of Hydro publicly felt it necessary to deny the basic premise upon which the hon. Prime Minister was arguing.

HON. MR. FROST: I would say to the hon. member for York South that I thoroughly agree with Mr. Strike's statement, and also with the statement of general manager Manby. There is no difference between us at all. I quite agree with it. I would say to the hon. member that there is not any power shortage in Ontario. There will not be a power shortage in Ontario for some little time, probably say, 3 or 4 years. We do not want to discourage our people or industry from coming into this province. I say there is no power shortage, and we intend that there will not be one.

MR. MacDONALD: But the fact of the matter is that the hon. Prime Minister stated in this House a year ago that there was an imminent power shortage, and this is the excuse that he used to say to this House that we must rush into this deal.

HON. MR. FROST: Of course, that is right.

MR. MacDONALD: There was no need to rush into this deal. I for one would not have been willing to sell the heritage of Canadian natural resources to a group of American financial buccaneers when we were not faced with a power shortage in this province for 4 years, and that is exactly what commissioner Strike and Mr. Manby said.

HON. MR. FROST: It takes time to get power.

MR. MacDONALD: But if we had taken 6 months more we could have got out of this rotten deal, and paved the way for getting something which was a far better one.

HON. MR. FROST: I would say to the hon. member that while I did not agree with the various positions and negotiations which the federal government had with Trans-Canada Pipe Lines, we were not a party to it, there was nothing we could do about it. I would say that there was a great chance the whole matter of gas for this province, which is vital for our development, would have been thrown back into chaos.

MR. MacDONALD: With a federal election coming up, it would not have been thrown back into chaos.

Rt. hon. C. D. Howe represents a seat in northern Ontario, and would have “gotten off the hot seat” and received some pretty strict promises for the building of this line. As a matter of fact, the whole issue had built up to the point that finally these doctrinaire free enterprisers who were willing to sacrifice the welfare of the Canadian people with their

doctrinaire beliefs — for that is exactly what the Liberals in this government have done in this issue — would finally have been forced by events to build the line as a public project, in the interests of the Canadian people. I am convinced that Mr. Howe and the federal government, with the public temper of last June and with the tensions which have been built up, would have had no alternative but to do the job which their agents refused to do, and their agents were Trans-Canada Pipe Lines.

Now, Mr. Speaker, there is another aspect of this pipe line thing that we raised briefly last year, and it still is hanging in mid-air. The hon. Provincial Treasurer touched upon it a number of times and he and Rt. hon. Mr. Howe and a group of other people are all engaging in consistent evasion of this important point. It is this: when a franchise is given to a company like Trans-Canada Pipe Lines, a monopoly franchise, it was my impression that every political party in this country—Liberal, Conservative, CCF—whatever they may be, agreed that, having given a monopoly franchise, then there must be some regulation of the price charged to the consumer. If a group is given a monopoly, it is necessary to protect the public interest through some regulation of the price.

Last March, when we raised this in the House, it was following the speech of Rt. hon. C. D. Howe in the House of Commons on March 6th, in which he said:

I can simply say this: naturally, the sale of gas is not a matter for this government. Although in regard to every sale of gas to a consumer, the rate must obtain the approval of the Ontario government or the proper agency thereof.

About a week after that, Rt. hon. Mr. Howe was questioned once again and he made this further statement:

Mr. Speaker, the government of the province of Ontario undoubtedly has the authority to regulate the prices of

gas to the consumer, and in fact has passed legislation to that end. With the price to the consumer regulated, it seems to me there is an effect, even though indirect, of regulation of the price that the pipe line can charge the distributor.

That is the Trans-Canada Pipe Lines. Mr. Howe continued:

I notice in the press today that the chairman of the Board of Transport Commissioners was reported to have said that the board had no authority to regulate the price of gas in the pipe line, even though the pipe line is interprovincial in character.

Now, in addition to that, I understand that at a meeting of the Fuel Board in Chatham some two or three months ago, the Ontario Fuel Board concedes that this is a fact. Mr. Speaker, this, I suggest to the House, is an intolerable kind of proposition, and I am wondering when this government is going to take some action—

HON. MR. FROST: May I ask the hon. member, how in the world can the government of Ontario or our board here in Ontario control the price that producers in Alberta are going to receive for their gas? How could we do that?

MR. MacDONALD: I agree with the hon. Prime Minister that control of the price which Trans-Canada is going to charge to any distributor with whom they sign a contract is a responsibility at the federal level, and what I personally cannot understand is why the Board of Transport Commissioners, which has jurisdiction over price on railways—on freight rates and things of that nature—suddenly should not have jurisdiction as between Trans-Canada and the distributors.

HON. DANA PORTER (Provincial Treasurer): I think the fact is that they have just not been given that authority. The federal government could give them that authority.

MR. MacDONALD: It seems to me that if this government is anxious to protect the interests of the people of the province of Ontario, against this group of profiteers, because that is all they are—

HON. MR. FROST: May I point out to the hon. member that this commodity coming from the west, from Alberta and Saskatchewan by way of a pipe line, is going to meet the severest type of competition in this province. Do not think it is coming here to a sort of capitalist population; that is not so. It is coming to our population with a very highly developed hydro-electric power system, it is coming to a population which is supplied by coal, by a very highly organized system in the United States. It is coming to our competitive market.

MR. MacDONALD: With all respect, railways face bitter competition from trucks, airlines, and rail. Is that a valid argument to say that you are not going to regulate prices on railroads?

HON. MR. FROST: We do not.

MR. MacDONALD: Do not miss my point. I am not arguing that the provincial government would have control of it. But what I am pointing out is that the Rt. hon. C. D. Howe in Ottawa says the Board of Transport Commissioners will not do this, but some control over price exists in any case because the Fuel Board does it here, so indirectly the regulation affects Trans-Canada too.

But clearly that is not an effective kind of procedure.

HON. MR. PORTER: That has nothing to do with us.

MR. MacDONALD: All I am suggesting to this government is to act at the level where it has jurisdiction; I will come to that in a moment. But at the level where the federal government has jurisdiction, it is in the interests of the Canadian people for the federal government to be pressured into doing some-

thing, because this, Mr. Speaker, as far as I know, is an absolutely unprecedented development, that a monopoly of a public utility should be granted to a group of private operators with no regulation of price at all.

This, I repeat, is an unprecedented kind of thing in Canadian history, and I cannot understand myself why, when it applies to railways, the Board of Transport Commissioners' jurisdiction over price should not also apply to natural gas prices without a specific Act of the House of Commons.

HON. MR. PORTER: Do I understand that the hon. member agrees that we have not jurisdiction?

MR. MacDONALD: Not at the federal level. But I will come to the hon. Provincial Treasurer's level right now.

In The Ontario Fuel Board Act, it states that the Ontario Fuel Board has jurisdiction over price paid by the ultimate consumer of natural gas in the province of Ontario. This is one I raised last year, Mr. Speaker, and I do not raise this provocatively because I think it is something we have to get sorted out.

Here, for example, is the case of the International Nickel Company. The International Nickel Company does not sign a contract with some local distributor, they are such a big purchaser that they sign a contract directly with Trans-Canada Pipe Lines. What is our position? The Board of Transport Commissioners has no jurisdiction over it. Rt. hon. Mr. Howe says so, and apparently this government agrees, for it has done nothing to change it. But it also argues, or at least it has been said in the House, that despite the fact that the International Nickel Company is the ultimate consumer here in Ontario, the Ontario Fuel Board has not jurisdiction over it. We are in a sort of jurisdictional no-man's land, and what I am wondering is, who is going to have jurisdiction over a very great proportion of the pricing of natural gas at the various levels?

The pyramiding of these unregulated prices is going to end up with the price of gas being so high that, commissioner Strike and Mr. Manby point out, the prices are such that Hydro is not interested in gas. I have the quote right here — in a Toronto *Telegram* story. They said the price is going to be such that Hydro will not be interested, for they will not ever be interested if it cannot compete with coal and these other kinds of fuel.

HON. MR. FROST: That is the way to keep the price down.

MR. MacDONALD: We are setting the stage by our combination of inaction at the federal level and the provincial level, resulting in our lack of regulation of price so that these profiteers—because there is no other description for the promoters of Trans-Canada Pipe Lines—their record is indelibly in the history of this nation, unfortunately, now—that they are going to be able to get the prices up to a level which certainly is going to be very far removed from power at cost.

HON. MR. PORTER: Then nobody will buy it.

MR. MacDONALD: We will find out how much they will buy it. But certainly we shall not be able to get the kind of natural advantage which was available in the price of natural gas, if we had made it available at cost.

HON. MR. PORTER: If it is so much higher in price than all these other fuels, people will stick to the oil and the coal.

MR. MacDONALD: I agree, and we may discover that one of the problems of building our market in northern Ontario is that the price is going to be high enough that it will take a long time to build up our market, and meanwhile, while the volume of gas is relatively small, we, the people, because of contracts this government “stuck” with, we are going to have to pay the

cost, if it takes them a longer time to build up that area.

HON. MR. PORTER: If they can not sell the gas, the line will go broke.

MR. MacDONALD: It cannot go broke; we are underwriting it. As a matter of fact, the Glassco report for which the Ontario people's money was spent, on page 12 has this statement:

The public would have to be assured that a competent regulatory authority would prevent the purchasers from making unreasonable profits from the line.

Now, where is the regulatory authority? There is none. A “competent regulatory authority”—there is no regulatory authority which is going to do it.

HON. MR. PORTER: What is to prevent the appropriate level of government from stepping in with that authority when its need is indicated?

MR. MacDONALD: Why should we make it an exception, with a group of promoters such as we have in Trans-Canada Pipe Lines at any stage, by saying to them that we are in effect operating without regulatory powers being exercised?

HON. MR. FROST: May I point out to the hon. member that this great matter of getting gas here from the west and applying that great resource to Canadian development has been a problem of the most intricate and involved character. I would like to say to the hon. member that he raises an objection, for instance, the one that he has been mentioning now. Actually speaking, if the situation arises as he mentions, of course there is no reason why governments—the federal government and perhaps provincial governments—could not intervene. I would say to him that he raises all these obstacles and all of these straw men, and that if we followed that attitude in trying to create and to bring this commodity down here over the last 5 years, we would be no

nearer now to bringing it down than we were 5 years ago. It is perfectly true that I, for one, favour an all-Canadian line built by the government and frankly, as I said in this House, we offered to stay in that ourselves. It was not as simple as that, this line covers a large portion of Canada, it is not any secret that the government of Alberta did not look with favour on a publicly-owned line.

MR. MacDONALD: Have the rest of us to do what the government of Alberta tells us? The argument that the government of Alberta is going to sit on this gas and not sell it to us because we want to handle it as a public utility is a most fatuous kind of argument.

HON. MR. FROST: There is a government of Alberta which makes no excuse about the matter, that they do not want anything to do with it. In their province they voted against public ownership on a plebiscite. In the province of Saskatchewan last summer, last June I think it was—they had an election. I did not see that the pipe line was an issue out there at all, but I gathered this, that probably the people of that province seemed to be pretty well satisfied.

MR. MacDONALD: I will tell you why they are satisfied.

HON. MR. PORTER: They are satisfied.

MR. NIXON: He knows.

HON. MR. FROST: The next thing is this, in the province of Manitoba, they made no bones about the fact that they did not want to enter into it on a public ownership basis. They made that plain. The federal government certainly was not anxious; I think I could say that the federal government was opposed to getting into the matter on a public ownership basis. The enthusiasm for public ownership was

with this government, and I think we could probably have carried our people on that idea, but remember we had at least 4 of our partners whom I have named that were cold to the idea.

Would you, in our position, being a province which required gas, would you throw it all into the chaos of uncertainty when finally after years of negotiation we had it to a point where a pipe line would be built to supply our province? Those considerations were placed before this House, and I think on the strength of those things, the hon. member voted for the bill.

MR. MacDONALD: The fact of the matter is —

HON. MR. FROST: Why go into it again?

MR. MacDONALD: I am not going to do any more than repeat my point and move on. This government had an opportunity to get out of this bad deal last May 1st. It refused to get out of the deal, and by its action it shared in creating the chaotic conditions of last May and June; if it had acted otherwise it would have forced the federal government to do what this government itself wanted to do.

HON. MR. FROST: We did not need to get into the deal that the hon. member voted for.

MR. MacDONALD: I have explained why I voted for it, and I have explained there have been two or three things here —

MR. SPEAKER: Order.

HON. MR. FROST: Mr. Speaker, why we got into the deal was this: we did advocate a publicly-owned line, of course we did, but we found we could not put it over, and we took the next best alternative, the only alternative, that was provided. We entered into the deal, and I expressed the hope here in this House that the deal then would be carried through. Now the hon. member

suggests that this government should then turn around and backtrack.

MR. MacDONALD: Why did the hon. Prime Minister put the escape clause in? Why was that done? Mr. Speaker, this is a simple case of one thing or the other. If that clause was not planned to be used for getting out of the contract should the promoters fail to do their job, then why was it put in? If it was put in, why was it not used when they failed to do the job?

HON. MR. FROST: The conditions were not changed at all from the time the hon. member voted for the bill.

MR. MacDONALD: They were changed to the point this group of promoters were not only failing to do the job, but they were even holding the gun on the federal government, and saying, "You have to give us an \$80 million loan by a certain time." That was the shocking aspect of it.

MR. WHICHER: They are getting it back.

MR. MacDONALD: If it is as simple as that, why did they not take it out of the \$700 million reserves of one company which is a parent company of Trans-Canada?

MR. WHICHER: Because we want the gas. The hon. member is no knight in shining armour.

MR. MacDONALD: Mr. Speaker, I want to come back and pick up the next point — the comment of the hon. Prime Minister here to the effect that the people of Saskatchewan were not exercised about this in their general election. Of course they were not. They were not exercised, because in the province of Saskatchewan the government is building a publicly-owned distribution system within the province along the lines of Hydro, which former Conservative Tories recognize is in the interest of the people and did in this province, but which this government will not do.

HON. MR. FROST: They are buying the gas from the privately-owned line, that is where they are getting it.

MR. MacDONALD: All right, but the point is that the province of Saskatchewan is building a publicly-owned distribution system and that is the point I wanted to come to.

This province, this government, two years ago — three years ago now — in January, 1954, for a time gave consideration to the proposition of a publicly-owned distribution system.

HON. MR. FROST: The hon. member might as well save his time as far as I am concerned. I am certainly not going to get into that one.

MR. MacDONALD: Let me put the case as to why the hon. Prime Minister should get into it, and why if he does not get into it, he will be sacrificing the welfare of the people of the province of Ontario, because that is exactly what I want to come to now.

During the past year, Mr. Speaker, I have had the opportunity, first through letters, and secondly to go down and acquaint myself with the problems of a group of natural gas producers in the area when the hon. member for Lambton East (Mr. Cathcart) comes from—

HON. MR. FROST: May I say—

MR. MacDONALD: Mr. Speaker, may I proceed with this, or must I be interrupted every two or three minutes?

MR. SPEAKER: You may proceed, there will be no more interruptions.

MR. MacDONALD: Down in Lambton county, you have a group of farmers who have natural gas wells on their properties, and who have had to contend in recent years with the kind of conduct and treatment which the Union Gas Company is handing out to them. I want to deal with this rather briefly, because I think it represents a set of problems on which these people are entitled to some assistance.

This group of people banded together in the Lambton Gas Storage Association and have requested a special committee to look into their problem.

Their complaints have some justification, because I have rarely seen an example of relations between a company and the people they are dealing with which are on a shabbier level than there is at the present time between the Union Gas Company and these farmers whose property Union Gas is leasing. For example, in this area, instead of operating on a pooled basis, as Imperial Oil and other companies do, so that all the farmers can get equal treatment, Union Gas plays one farmer off against the other. When it comes to price, they pay one farmer a certain amount, they refuse to give a contract which would be applicable to the whole gas reef, and if one farmer refuses to sign the poor contract that is offered, then they sink a well into the neighbouring farm and take the gas from all the farmers whose property may be above that reef.

It is basically a very bad kind of proposition, yet these farmers have pleaded for years to try to get better contract relationships, to try to get this government, or the Ontario Fuel Board, to regulate this. So far they have not been able to get any assistance.

There is another aspect of this Lambton situation, however, Mr. Speaker, which is not just a local problem, and that is the reason why I raise it. If it were purely a matter of Lambton County, the hon. member from Lambton East could be left to battle for the interest of his people, and do it alone.

Union Gas last year had total sales of \$11.7 million. Of those total sales of \$11.7 million, \$1.5 million was paid in income tax and \$1 million was added to reserves. In other words, \$2.5 million, or almost one-quarter of the revenue that this company took in, went in either income taxes or undistributed reserves.

Now, I suggest to this government that if any company is operating, as I presume is the case with public utilities

in this province, under the direction of the Ontario Fuel Board, where there is legislation that their returns cannot exceed 7 per cent., otherwise they are forced to reduce their price to the consumer, that here is a situation worth looking into. Out of every dollar in revenue that the Union Gas Company has been getting, their returns are such that they have to pay 15 cents of the dollar to the hon. Mr. Harris in income tax, and presumably they prefer to do that rather than to give the farmers a square deal, and they pay 10 cents out of that dollar into undistributed reserves. Clearly it is impossible for them to be operating without violating the 7 per cent. level at which they should be operating under the regulation of the Ontario Fuel Board.

The interesting thing is this, Mr. Speaker, that in spite of the fact Union Gas is operating on this high level of returns, it still has the lowest consumer price on gas in the province today. There may be other smaller companies that have a lower price, but I think I am correct when I say that Union Gas has the lowest price on gas. Now, how can a company which is operating at that level of returns be operating on that basis after charging the lowest price among consumer prices in the province?

That question brings us to the nub of this whole issue. Union Gas is doing it because they have, in the Lambton fields, something that is far more important than natural gas that can be taken out of the ground. They have storage areas, storage reefs which are capable of holding 60 billion cubic feet of natural gas. Union Gas has leased 15 billion cubic feet of this and they used last year about 5 billion of the 15 billion cubic feet.

Because they have the storage basins, they are able to enter into a contract, now with American gas companies, later to be switched to Trans-Canada once the trans-Canada line is developed, and they buy their gas, not at the normal price but they buy it on what is known as the interruptible price. In other words, they obtain the gas at the price

at which it is available when gas is in surplus during the summer months when, if Trans-Canada Pipe Lines did not sell it the gas simply would not come through the line, and would in effect be idle. Thus they buy it at a smaller price and store it in the ground in Lambton County. Having bought it at this low price, then they bring it out of the ground when the consumption season comes and they sell it at prices comparable to going prices, and the result is that they end up with this high level of returns.

HON. MR. FROST: What is wrong with that? The hon. member for York South is right when he says that they bring gas from either Texas or from the west, that they get it at the interruptible cost and then put it in the ground and then sell it throughout the season to our people at the lowest price, the hon. member says, that obtains in the country.

MR. MacDONALD: Yes.

HON. MR. FROST: Well, that is how you help keep down the cost-of-living index.

MR. MacDONALD: Now I come to the point I want earnestly to bring to the attention of the government. If we had in the province of Ontario a publicly owned and fully integrated system for natural gas, it would be possible not only for Union Gas to use the Lambton storage fields, but through this publicly owned and integrated system, for all distributing companies, including Consumer Gas and including all companies that go down in the Niagara Peninsula and as far east as at least Oshawa, to use these storage fields, buying gas at surplus prices and thus be able to reduce the price not only to the level which Union Gas has, but to even lower levels.

HON. MR. FROST: I do not think there is any reason that they should not.

MR. MacDONALD: In this way the great advantage could accrue to all the people of the province of Ontario, by using this God-given asset of great storage areas down in Lambton County—an advantage which is now accruing only to the distribution area where the Union Gas happens to be. The advantage could be even greater because their price should be down another 25 cents less than it is. Through a publicly owned and fully integrated system, this advantage could be extended throughout the whole area of southern Ontario.

Mr. Speaker, let us face this as a very certain eventuality: if we do not get our distribution system organized so that we can use the surplus gas in the whole of southern Ontario, and Union Gas is the only one that is using the Lambton storage, what is going to happen to the surplus gas when it comes down in the summer months two or three years from now, when Trans-Canada Pipe Lines gets into operation?

I will tell you what is going to happen, Mr. Speaker. The parent companies of Trans-Canada Pipe Lines will pipe that surplus gas across into the United States, they will store it in the United States and the American people will get the benefits of lower priced gas, instead of the people of the province of Ontario. That is almost a dead certainty.

In other words, what we have got here now is the possibility of building a distribution system for natural gas which is in a remarkable way a parallel to the building of the grid system of Hydro. What we did from the early days of Hydro was to use these great sources of hydro power and to build a system that covered the whole of the province as a grid system, so that the surplus power could be taken from wherever it was available and carried throughout the system and made available to all the people throughout the province.

Here, we have an opportunity of doing the same thing in the case of natural gas, of using this natural asset of storage basins to the capacity of 60

billion cubic feet as part of an integrated storage system so that we can buy our gas at a surplus price and make it available when it is required at the high consumption period throughout southern Ontario, and in so doing reduce the present prices to the consumers of southern Ontario by at least 25 cents.

HON. MR. FROST: Mr. Speaker, may I point out that the hon. member's computation of prices is, of course, purely his own.

MR. MacDONALD: No, it is not, Mr. Speaker, the hon. Prime Minister is wrong.

HON. MR. FROST: I want to deal with another point, though.

MR. MacDONALD: All right.

HON. MR. FROST: Mr. Speaker, involved in entering into a publicly-owned system is the immense problem of money; there is the problem. In Ontario, with Hydro, with the Northland Railway, with the Water Resources Commission, with the development of other publicly-owned projects, with the problems of the municipalities, I would say, as I said last year in relation to this matter, the problem of the province's credit is so important that to envisage getting into another deal which would probably involve a couple of billion dollars is, of course, unthinkable. The more the province can do to encourage private agencies and others to operate these vast projects the better.

May I point out to the hon. member for York South that the credit of the province is so important that the minute one waters it down with more projects than it can undertake, one is inviting disaster. There is the situation.

MR. MacDONALD: I listened to the hon. Prime Minister explain this aspect of the problem. I am not unmindful of it. If he is so impressed by the credit needs of this province, why did he bail the Liberal government out with

the Trans-Canada Pipe Line promoters by using 35 million of our dollars?

HON. MR. FROST: It is a great thing to put in \$35 million that you are going to get paid back in a couple of years, to avoid getting into something that you have got to put \$2,000 million in and keep it there for good.

MR. MacDONALD: Mr. Speaker, I just want to pick upon the point the hon. Prime Minister said, that these are my calculations. I want to submit to the hon. Prime Minister that these are not my calculations, they are the calculations of the Lambton Gas Storage Association, whose members have been making a very careful study and investigation of this subject. I do not think they pretend to say they have figures that are absolutely accurate, but they certainly, with the best available information, have figures which indicate that if we had the kind of set-up I have been outlining, Alberta gas could be made available in Ontario at 60 cents for industrial use, and for commercial and domestic no more than \$1 per MCF.

Our present prices in the province for industrial gas range anywhere from 70 cents to about \$1.30, as compared for example in the United States with prices that are sometimes as low as 50 cents and down to 34 cents. And yet we are sitting idly by and permitting the development of a situation in which surplus gas is going to be piped across the line.

Now, what the Lambton Gas Storage Association has suggested as an alternative — I think it is a second best, but let us take their suggestion and at least give it some consideration — is it will be necessary for the Fuel Board to exercise the powers of The Ontario Fuel Board Act, and insist that the Ontario distributors pool their buying and storing.

HON. MR. FROST: That is all possible under the Act.

MR. MacDONALD: Exactly, but there is nothing happening on it so far.

HON. MR. FROST: Well, there is no gas coming down yet. Wait till the line gets into operation.

MR. MacDONALD: If we do this, Mr. Speaker, we could duplicate the building in Ontario with the distribution of natural gas what was done two generations ago with the building of Hydro in this province.

In conclusion, Mr. Speaker, I want to remind the hon. Prime Minister that I have listened to him many times, for instance at the Golden Jubilee of Hydro, getting up and extolling Hydro, extolling Sir Adam Beck, and quite rightly so, because there are few men who merit extolling more than Sir Adam Beck. But I think the time has come for the hon. Prime Minister to cease resting on the achievements of Sir Adam Beck, and refusing to do in his generation what Sir Adam Beck did back in the early days of the century.

In this connection, Mr. Speaker, I would like to remind this House of the kind of struggle that had to be gone through in this province to establish Hydro. For example, let me read this comment from the biography *Adam Beck and the Ontario Hydro* by Plewman, a comment to be found on page 458. This is of particular interest, I trust, to the hon. Prime Minister:

No cabinet and no legislature during his lifetime — unless it were the 1919-1923 Legislature that was controlled by Drury and Raney — contained a majority of members who cordially supported the principle of public ownership. Yet Sir Adam Beck usually had his way.

Take a look at this comment, for example, to give you an idea of the struggle that they went through back in those days:

Most of the members of Whitney's cabinet —

and this is the cabinet of the government that eventually put Hydro into effect —

Most of the members of Whitney's cabinet were hostile to Adam Beck and his policy. At one time the legal advisers and other agents of the power companies believed that they had gained the ear of the Premier and that Adam Beck was through. Beck's enemies employed women in a vain effort to seduce him.

It just shows you the lengths to which opponents of public ownership will go.

MR. CHILD: How far will you go?

MR. MacDONALD:

As early as 1906 Adam Beck told friends that he had been offered \$1 million to forget Hydro. When the first power contract was signed it is alleged that a certain gentleman said to Beck: "I think you should get something out of this" and offered him a cheque for \$20,000. Ingenious efforts were made to entrap or corrupt the principal engineers.

Adam Beck was slandered and vilified and subjected to pin prick slights by social and political friends such as a man of his fiery disposition could not endure quietly.

This is the kind of thing that the men whom the hon. Prime Minister extolls were willing to put up with to get what we recognize as one of the great achievements of today.

HON. MR. FROST: I only extoll this government, that is all.

MR. MacDONALD: Now I come to the important sort of pressures behind the scenes. When the Whitney government was planning to establish Hydro, the people behind the scenes, the people in the private electric companies, put out a pamphlet entitled *The Credit of Ontario and How it is Affected by the Ontario Power Legislation*, and it relates how this pamphlet was distributed all throughout Great Britain.

A professor at Oxford University made statements to the effect that this Act, away back here in Ontario, was

unconstitutional. Sir Seymour King, a banker and member of Parliament, wrote to the Canadian Minister of Finance to the effect that he was alarmed by the Ontario power legislation. Evans Gordon & Company, writing to Lord Strathcona, Canadian High Commissioner in London, observed that in the face of vested interest the Ontario legislature had entered upon the doubtful expedient of offering to supply municipalities with cheap power. There were comments from the British *Financier and Bullionist*, in London, and listen to this:

Such extraordinary and un-British law is necessarily a blow to Canadian credit in England. Premier Whitney must surely recognize the importance of our good credit in London. Canada comes to London for its government, municipal and railroad loans. Anything that smacks of extreme socialism, confiscation or legislation tyranny will make borrowing less easier and cause the investor to seek other lands.

There is a whole chapter indicating the fantastic ramifications of the campaign, and it is this kind of pressure, I have a grave suspicion, which persuaded this government to forego its original consideration of building a publicly-owned line.

HON. MR. FROST: Mr. Speaker, our position is entirely different; I quite agree with the hon. member, those points of view expressed by those people 50 years ago were utter nonsense. I have no feelings at all that entering into sound public ownership policies hurts this country or this province at all.

What I am concerned with is the immense amount of money which would be required in this province to do the things to which we are already committed. That is a very, very huge sum indeed, and I can assure the House that I am very delighted at the moment that we are not faced with the problem of having to find the money to go ahead to

any greater extent on the trans-Canada than we have, because we are spread out very thin now.

I would be very glad if the hon. member would talk with some of our financial men and get the picture we have to face in this province.

MR. MACDONALD: Mr. Speaker, all I can say is that if the hon. Prime Minister's argument about not being able to get the credit is the sole argument which he can advance for not building a system—the only kind of a system to get power at cost from natural gas—then I am not persuaded by it.

I just want to conclude by saying this to the hon. Prime Minister; he may dismiss this project on the basis of this one excuse if he wants to, but he is using exactly the same arguments which were used about the limited credit capacities of Ontario back in 1910 and 1915. I will say there is only one man—and I say this in all respect to the hon. Prime Minister, viewing the kind of opposition we will have to face if we attempt to build this kind of project—there is only one man whose stature in his party and across this province is such as to be able to buck these interests. That is the hon. Prime Minister himself.

But if he does not do it, then he is willing to pay lip service to the glory of the achievements of Sir Adam Beck, but he is not willing to do for his generation what Sir Adam Beck did for the generation about 40 or 50 years ago. It will require political courage, I do not deny that for one moment. It will require a passionate conviction that the principle of power at cost has been a valid principle up to now for Ontario, and that it is a principle with continuing validity. But if we are going to live up to that principle, it can be done only by having a publicly-owned distribution system for natural gas.

Therefore, Mr. Speaker, I want to move, seconded by the hon. member for Oshawa (Mr. T. D. Thomas) that the

amendment to the motion for an address in reply to the Speech of the Honourable the Lieutenant-Governor now before the House be further amended by adding a sixth paragraph as follows:

But this House regrets the government has failed to:

6. Build a publicly-owned fully-integrated distribution system for natural gas so as to provide power at cost in accordance with the time-honoured principle on which Hydro has been built, thereby reducing present consumer prices.

MR. R. MACAULAY (Riverdale): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, I will only say that the debate continues tomorrow.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to

The House adjourned at 5.55 of the clock, p.m.

ERRATUM

(February 4, 1957)

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124	1	6

Correction

Change "MR. R. E. ELLIOTT (Hamilton East)" to "MR. W. H. COLLINGS (Beaches)".



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, February 7, 1957

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1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

THURSDAY, FEBRUARY 7, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

The following petitions were presented and laid on the table:

By Mr. G. C. Wardrope, a petition for the incorporation of the Ontario Professional Foresters Association.

By Mr. T. Graham, the petition of the corporation of the township of North York.

Reading and receiving petitions.

CLERK OF THE HOUSE: The following petition was read and received:

Of the Corporation of the Town of Hawkesbury praying that an Act may pass authorizing the corporation to purchase land in the town for industrial purposes and to erect thereon a building to be leased or sold to private industry.

MR. SPEAKER: Presenting reports by committees.

Motions.

HON. L. M. FROST (Prime Minister): Mr. Speaker, in connection with the ordinary committees of the House, the committees which were set up and were the subject of the consideration of the striking committee whose report was adopted last Friday, I have had as usual a number of hon. members who have

asked to be put on various committees where their names were omitted. I have here quite a long list of additions and if there are any changes or any further additions, if hon. members of the House desire to be on any particular committee, I would be very glad to arrange this for them.

In revising these, I have not discussed this with the hon. Leader of the Opposition (Mr. Oliver), or the hon. member for York South (Mr. MacDonald), but it would seem to me to be proper that they should be on all committees, so I placed their names on any committees from which their names had been omitted. I think that is reasonable. If they desire to be taken off any of the committees, and will let me know by Monday, I will arrange to have them accommodated.

Mr. Frost moves, seconded by Mr. D. Porter, that the following hon. members be added to the standing committees designated:

COMMITTEE ON AGRICULTURE

Messrs. Connell, Johnston (Parry Sound), Lyons and Sandercock.

COMMITTEE ON CONSERVATION

Messrs. Allen (Middlesex South), Belisle, Chaput, Connell, Doucett, Laverne, MacDonald and Oliver.

COMMITTEE ON EDUCATION

Messrs. Collings, Doucett, Oliver, Porter and Spence.

COMMITTEE ON GAME AND FISH

Messrs. Belisle, Connell, MacDonald and Oliver.

COMMITTEE ON GOVERNMENT COMMISSIONS

Messrs. Auld, Beckett, Dunbar and Jolley.

COMMITTEE ON HEALTH

Messrs. Davies, Foote and Letherby.

COMMITTEE ON LABOUR

Messrs. Doucett, Fullerton, MacDonald and Oliver.

COMMITTEE ON LEGAL BILLS

Messrs. Cecile, Nickle, Oliver, Porter, Roberts and Warrender.

COMMITTEE ON MINING

Messrs. Boyer, Oliver and Roberts.

COMMITTEE ON MUNICIPAL LAW

Messrs. Dunlop, Fishleigh, Frost (Bracondale), Kerr, MacDonald, Mackenzie, Oliver, Porter, Price and Roberts.

COMMITTEE ON PRINTING

Messrs. Auld, Cass, Graham, MacDonald and Oliver.

COMMITTEE ON PRIVATE BILLS

Messrs. Boyer, Frost (Bracondale), Hunt, MacDonald, Oliver and Sutton.

COMMITTEE ON PRIVILEGES AND ELECTIONS

Messrs. Fishleigh and MacDonald.

COMMITTEE ON STANDING ORDERS

Messrs. Chaput, Oliver and Lavergne.

COMMITTEE ON TRAVEL AND PUBLICITY

Messrs. Cass, Graham, MacDonald, Oliver and Yaremko.

Motion agreed to.

MR. SPEAKER: Introduction of bills.

HAMILTON HEALTH ASSOCIATION

Mr. A. J. Child moves first reading of bill intituled, "An Act respecting the Hamilton Health Association."

Motion agreed to; first reading of the bill.

THE CORPORATIONS INFORMATION ACT

Hon. G. H. Dunbar moves first reading of bill intituled, "An Act to amend The Corporations Information Act, 1953."

Motion agreed to; first reading of the bill.

He said: This is a simple bill; section 1, this amendment requires a corporation to file annual returns instead of deliver them, in order to bring the language in line with the other bills. Section 2, a new subsection 6(a), provides for the recovery in the civil courts of a penalty for failure to file annual reports. Prior to this, it was in the police court, which was rather harsh, and now they are bringing it into the civil courts to sue as in any other case.

THE VITAL STATISTICS ACT

Hon. Mr. Dunbar moves first reading of bill intituled, "An Act to amend The Vital Statistics Act."

Motion agreed to; first reading of the bill.

He said: The Vital Statistics Act, in the original, states it must be signed personally by the Registrar General where all notices of deaths, births and marriages are signed by a copy of the signature, so we want to bring this into line, because it has never been done, although it has been the law.

THE CORPORATION ACT

Hon. Mr. Dunbar moves first reading of bill intituled, "An Act to amend The Corporation Act."

Motion agreed to; first reading of the bill.

He said: This bill makes it possible for the Hog Producers' Organization — they were the first ones to mention this — organizing groups in counties, and they now want permission, if they so desire, to organize a number of counties and have that one group so they can appoint their directors from the different counties. In case they do not appoint a sufficient number of directors, they will appoint delegates to attend annual meetings, and these delegates will have a vote just the same as a director.

Then they also asked that in case of a large organization, where the Act now states that every shareholder must be furnished with the financial statement for the year, they think it is sufficient to have — that is if the organization was disposed to — to have the directors and the delegates furnished with these statements, and the shareholders only upon request.

HON. MR. FROST: Mr. Speaker, before the orders of the day, I regret to advise the House that I have just learned of the passing of the father of one of our hon. members, the hon. member for Perth (Mr. Edwards). I am sure

we all want to extend to him and to the family our sympathy. The hon. member's father was, of course, a man very much up in years, a retired railroader, but he was a person of great vigour and he possessed great enthusiasm for charitable causes. He used to carry this enthusiasm to the extent that he always had tickets to sell for some particular worthy cause, whether it was in connection with some charitable organization relating to the railroads or to some other community matter.

I am sure the hon. member's father is a figure who will be missed very much by all in Palmerston, where he was one of the old and highly regarded characters of the community.

We extend to the hon. member for Perth our sincere sympathy.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. Report of the Ontario Veterinary College for the year ended March 31, 1956.

2. Eightieth annual report of the Ontario Agricultural College and Experimental Farm for the year ended March 31, 1956.

MR. SPEAKER: Orders of the day.

ADDRESSES IN REPLY TO SPEECH FROM THE THRONE

MR. R. MACAULAY (Riverdale): Mr. Speaker, I am pleased to have the opportunity to return to this assembly presided over by yourself and indicate to you, as is my custom, that I will be bounded by your equitable decisions, and in your responsibility I wish you well.

I have this afternoon undertaken something which is a rather large task for me, and whether I can carry it off remains to be seen. I would like to make reference to two matters: one, in very brief form, to the speech which

the hon. member for York South (Mr. MacDonald) delivered yesterday, and secondly to lead this Legislature slowly, precisely, and in simple language, through the details of the tax agreements offered by Ottawa to the Canadian provinces, and to Ontario in particular.

Firstly, with reference to the speech of the hon. member for York South. The hon. member, as we all know, and I do not complain particularly of it, has a habit of lumping into one category and moulding into one image all Conservatives and all Tories, and the policies of all Conservatives and all Tories, just as he tends to lump all Liberals into one image and one category. "What is sauce for the goose, is sauce for the gander", and I do not think the hon. member can object if I lump all the CCF and their policies together, both as to their integrity and their party policy.

Yesterday, the hon. member for York South severely castigated this government for the fact that before it attained power, it had promised to pay 50 per cent. of the cost of education in Ontario, and yet by his own accounting, he says now that they have attained power they are paying only 36 per cent.

I think it is fair to test his sincerity and that of his party by making reference to what his party has done in Saskatchewan, for after all, that is the only area in which they have attained power, and, as the hon. member said yesterday, actions speak louder than words.

When seeking power in Saskatchewan, the hon. Mr. Douglas said this in relation to education:

The first thing which the CCF government will do will be to recognize education as a responsibility of the provincial government. There has been a tendency on the part of the provincial government to pass the buck to municipalities and local school boards for maintaining educational facilities.

Hon. Mr. Douglas continued to say:

The time has come when we must recognize that Canada's constitution places responsibility for teaching our children squarely upon the provincial government, and it cannot be passed to any other body.

That is what the hon. Mr. Douglas said before he attained power. Now, what has he done since he attained power? The hon. Mr. Douglas, the government of Saskatchewan, is paying—and I am making reference to Mr. Fine's last statement on the budget in Saskatchewan dated March 5, 1956—they promised before they attained power to take over all the cost of education, and in Saskatchewan they are now paying 19 per cent.

I would suggest to the hon. member, and I think to this House, that even by his own accounting, 36 per cent. out of 50 per cent. is a great deal better paid average than 19 per cent. out of 100 per cent.

MR. MACDONALD: Your figures are wrong.

MR. MACAULAY: I am only referring to Mr. Fine. I would point out to the hon. member that yesterday he must admit I sat here, no matter how much I wanted to interrupt his eulogy, I sat quietly back, and I would ask him to have the courtesy to do the same for me.

MR. MACDONALD: Your figures are still wrong.

MR. MACAULAY: I would respectfully submit that one can judge the ethics of the CCF party on the grounds of education.

Secondly, let me make reference to the hon. member's accusation concerning supplementary allowances paid to the old age pensioners in Ontario. Now, the hon. member may well again say that my figures are not correct. I am using the most recent figures I was able to

obtain directly from the hon. Minister involved. He said, as I recollect — although I do not have *Hansard* in front of me:

Ontario is paying approximately 4,316 people supplementary old age pensions, whereas in Saskatchewan there are approximately 17,300 people receiving supplementary old age pensions.

I think the hon. member should have been candid enough to have admitted to this House that out of the 17,300 people, there are over 5,000 of them who are receiving \$2.50 a month and that the average in Saskatchewan is \$6.00 a month, but that the average payment in Ontario is \$12.81.

Secondly, I think the hon. member might have admitted to this House that in Saskatchewan, out of the 17,300 people receiving supplementary assistance to old age pensions, there are only 32 people receiving the full benefits.

Thirdly, I might have drawn to the hon. member's attention, as I do now, that in Saskatchewan, they are so happy with their government that their population has dropped in 15 years from 921,000 to 880,000 — a drop of 4 per cent., whereas in the province of Ontario our population has increased from 3,400,000 to 5,400,000, an increase of 57 per cent.

Let me also read a statement, so that we may judge CCF morality. This is a statement which I heard the hon. Mr. Douglas give on the radio when he was speaking during the last election. Listen to several words of it, because it is quite shocking. He said:

There is not a single Liberal or Conservative provincial government in Canada, not one, that pays any supplementary allowance to old age pensioners, provides health services to old age pensioners, mother's allowance cases or blind pensions or free polio and mentally ill care or an air ambulance service.

Then the hon. Mr. Douglas concluded:

Ontario as the richest, oldest province in Canada does not provide one of these services.

That, Mr. Speaker, in perhaps the phraseology of the street, is a colossal lie.

May I turn to a third part with reference to the refutation of the hon. member's observations yesterday. He indicated that in Ontario — or, in any event he suggested that the Ontario government is likely to coddle corporations and thus likely not raise the taxes from them which he said would be available. He made the same reference, I would believe, to the Liberals.

Yet, I would point out that there is no corporation tax in Saskatchewan, but most important is, do the CCF even believe the statement which the hon. member for York South made, because again, like the hon. member from Waterloo North (Mr. Wintermeyer) — he has a favourite author—and so do I. He is the hon. Mr. Douglas. I would like to make reference to a speech the hon. Mr. Douglas made on November 21, 1956, at a federal CCF nomination convention when he was speaking to his own people, the supporters of his party, because this is what he said:

Canada is completely dominated and motivated by profiteering principles, the quick-buck artist and the hucksters. There is no economic salvation for ordinary people like us without a planned economy and the establishment of a co-operative commonwealth.

Now, that statement is consistent with socialism and I don't think one would have raised one eyebrow had it not been for the fact that 9 days later the hon. Mr. Douglas, when speaking to a convention of industrialists, 200 in number, and 50 of them the leading industrialists of Saskatchewan, said this:

We must commence a concerted drive for the industrial development of Saskatchewan by private enterprise.

Then listen to the disingenuous manner by which he dismisses that complete contradiction. He said:

During elections I am for knocking down methods of campaigning, but when elections are over we must all work together and come together in the best interest of Saskatchewan and its people.

Now, I would simply suggest to this House, that if that is a measure of the integrity of the CCF party, then I think with some justice I can dismiss the speech the hon. member gave yesterday and turn now to matters of some substance.

Mr. Speaker, the most vital matter which is facing Canada and its people today is the matter of Canada's internal finances, its domestic finances. There is an odd fact in life, and this seems to me to be it, that families will debate by themselves for hours, weeks, months or years on their own internal finances, discussing the shortage of money, their obligations, how to increase their revenue and reduce the amount of their debt, and yet when it comes to matters of finance of a larger area, such as a municipality, a province or a whole nation, frankly, and with some alarm, I view the indifference with which the public tends to consider the matter of finance.

Even more discouraging, I find the speeches which are given and the things which are said by people, even people in responsible places, who advocate spending more money without any consideration for the constitutional responsibility of this province to spend the money, and with even less consideration as to the source from which it should come.

I have heard many speeches in this House and elsewhere which have advocated spending more money, but I have heard very few, and I don't know if I have given one myself, which has advocated less spending. Tuesday, I enjoyed listening to the speech of the hon. Leader of the Opposition; I always enjoy listening to his speeches

because he delivers them with conviction—I think at least to his own followers—and certainly with compassion, and the hon. Leader of the Opposition was right when he said that I was not the first person in this House who has spoken of deficit budgeting.

But I do say this to him, that I feel I have heard very few speeches indeed from the opposition which have advocated cutting down the debt and at the same time have shown a factual, actual way in which more revenue can be earned in order to satisfy the demands for increased expenditure which are placed before this House.

I would say to you, Mr. Speaker, and to every hon. member of this House that I think the hon. Leader of the Opposition is wrong when he suggests that in this House over the next session we will hear speeches sharpened indeed in opposition to Ottawa simply because we are in an election year.

The fact simply is that this government is fighting for the people and for the rights of Ontario which we feel, and rightly so, are our responsibility. That is what we were elected for; every hon. member of this House should accept that and not act as apologists for Ottawa.

I would only say to the hon. member that when I looked at the vote which was taken on Bill No. 442, which is the tax agreement bill, I was reminded of the most interesting little phrase which is contained in *H.M.S. Pinafore*, by Gilbert and Sullivan, and I thought how apt it was and how referable it was to the Liberals there, when it was said:

I grew so rich, that I was sent
By a pocket borough into Parliament.
I always voted at my party's call,
I never thought of thinking for
myself at all.

Not only have these Liberals in Ottawa who represent Ontario ridings failed to think of themselves, they have failed to think of the residents of Ontario.

Mr. Speaker, in my humble opinion, there are 3 vital reasons why every hon. member of this House should have some understanding of the tax agreement which is offered by Ottawa to Ontario and to the other provinces, and the 3 reasons are these:

Firstly, the amount which is offered represents a very sizeable proportion of the revenue of this province, approximately one-half of last year's revenue.

Secondly, for the last 8 years, this province has been going further into debt, and last year we went into debt by approximately \$45 million, and we must therefore give consideration to raising money if we are to avoid that.

There is a further consideration, and I think the hon. members should bear it in mind, that if last year we had a deficit of \$45 million — that is, we spent that much more than we received — and if we are to face the future with things like the development of hydro and irrigation and highways, development of education and health plans, which are going to involve this province in many billions of dollars over and above our ordinary revenue, we must take into consideration the dollars received in our revenue.

We must look to every dollar that this province can obtain. We must attempt to reduce our debt, not absolutely but relatively. Let not one hon. member of this House assume this, that the future generations will be able to take care of their own responsibilities and their own debts as well as the debts handed down to them by us.

Mr. Speaker, with that short lead, I would like to discuss generally the divisions of the 4 parts of the tax agreement offered to Ontario, and then I would also like to give, in a little more detail, in dollars and cents, the 3 main parts as they affect Ontario, and lastly give some indication to this House what I respectfully submit this province must do in order to assist itself from the dilemma in which Ottawa has placed us.

First of all, I would say, that there are 3 main sources of revenue, both to Ontario and to Canada. This is the crux

of the entire tax agreement, and if the point is missed, then the entire tax agreement discussion is missed.

The 3 most important sources of revenue to Ontario, as well as to Canada, are the personal income tax, corporation tax and succession duties, because these 3 tax fields put together produce over 55 per cent. of all of Ottawa's revenue, over one-half of \$4.5 billion.

Several economists, or, in any event, economists since the turn of the century, and certainly the compilers of the Rowell-Sirois report, have said this, that:

He who controls solely these 3 fields of taxation controls the economy of the nation; conversely, unless the central government controls these 3 fields of taxation, it is impossible for them to control the economy of the nation, so that they can bring down and put some brake upon the rising inflation or flatten out the valleys of deflation.

That, Mr. Speaker, is why — and this is an essential fact that one should understand — Ottawa wants to gain sole control of the 3 tax fields — personal income tax, corporation tax, and succession duties — firstly, in order to provide funds to carry out its responsibilities, and secondly, so Ottawa can be in an actual position to control directly the economy of Canada, both of which reasons are sound.

But the simple fact is that Ottawa does not possess the sole right to impose taxes — personal income tax, corporation tax and succession duties. The British North America Act, by sections 91 and 92, gave the provinces and the Dominion the right to impose these 3 fields of taxation, and the fact is that the provinces exercised that right almost immediately after Confederation and did it solely, or, in any event, with the municipalities almost until World War I, because it began — or, at least, it was thought to be — as a reserve of taxation fields to the provinces.

The provinces were the first into it, and the federal government entered into

it only during an emergency, promising, as I recall it, to vacate the field when the emergency was over. The emergency has gone on ever since 1914, and they have not quit it yet.

So, therefore, since by right the provinces and the Dominion each have an equal right to impose these 3 fields of taxation; if Ottawa wants to be in them all alone, Ottawa must get the provinces out of them. But, since the provinces have the right to have them also, the only way Ottawa can get the provinces out of these fields is to make offers to the provinces, and that is why the federal government offers to the provinces a consideration or a grant. They say: "We will give you a grant if you will give up the right to impose taxation on those 3 fields."

That is, in essence, the basis of the tax agreement between Canada and the province of Ontario and the other provinces of Canada. Therefore, here is the essential issue in relation to Ontario: we are asked to get out of the field of personal income tax and not to impose it; we are asked to get out of the field of corporation tax and not to impose it; we are asked to get out of the field of succession duties and not to impose them.

Now, if we are going to give those up, and since they are our chief source of income, we must be sure that we, in return, obtain from Ottawa sums that at least equal the amount we could obtain were we to impose those 3 taxes ourselves.

That, therefore, is the sole issue. The sole issue is not in the principle of renting these taxes. It is in the principle, or in the issue, of how much any of the provinces, or, particularly Ontario, should obtain in return.

Mr. Speaker, Bill No. 442, as I have indicated, has really 4 parts, and I would like to indicate to this House briefly, simply, and slowly what they are because they are very important. With great respect—and I think the hon. Prime Minister would agree—that this Bill No. 442 is, perhaps, one

of the most important bills that has been considered by any province or by the Dominion Parliament since Confederation.

The first part is concerned, at least, with the equalization grant paid. Now, what is this designed to do? Ottawa says that some provinces are, in fact, away up here and others are away down there, and what we want to do is to bring the provinces up to the top; and that is a very laudable goal. The purpose, therefore, of Part I of the bill is to bring the revenue of the provinces up to equal the highest and this is putting it simply on a per capita basis.

May I point out to the House that it is not necessary to sign a tax agreement to receive this grant. Each province is entitled to obtain it by right each year. The federal government will pay out \$155 million next year to cover all of these equalization grants, or 3 per cent. of its budget; and of that \$155 million Ontario will receive nothing.

Part II of the bill I like to call the stabilization part, and what it really means is this, that in some years during depressions income dips from one year to another. The hon. member for Brant (Mr. Nixon) will remember — and his predecessor, as well — the dipping revenues during the 1930's, and it is an admirable goal that the federal government desires to create a floor of revenue of all of the provinces so that if their income dips under the floor the federal government will take up the difference by a grant, and so subsidize the product just as is done in many agricultural products.

There will be a subsidy paid by the federal government to the provinces if their incomes dip below the floor which the federal government has put on their incomes.

May I emphasize this? It is not necessary to sign a tax agreement in order to qualify for the subsidization payment which will be made. If a province qualifies—that is, if the province's income has dropped below the floor—it will receive it as of right. It will

cost the federal government next year the sum of approximately \$800,000—one five-hundredths of its income. This is not, as you can readily see, a vital consideration in these days. Of the \$800,000 Ontario will receive nothing.

The third part of the taxation agreements I call, for want of a better word, the rental part. I have described to the House, I think, Mr. Speaker, that Ottawa desires to have sole control over income tax and succession duties, and in order to do that they have to get the provinces to agree to give up their taxes in those fields and let Ottawa solely tax.

So, therefore, Ottawa offered the provinces money, and, instead of offering one province \$100 million and another province \$200 million, and having them fight about why the one got \$200 million and the other only \$100 million, they introduced a formula. The formula, in effect, is this—and this, Mr. Speaker, is the whole Act as far as Ontario is concerned—and I am now talking in terms of half of our present revenue, and one knows that no man alive can possibly consider what he is going to spend, how he should plot his future, if he, at the same time, ignores half of his income—what Ottawa says to Ontario is this: "You have the right to raise corporation taxes, but if you will sign an agreement with us and will not raise corporation taxes we will give you back 9 per cent. of the corporation profits earned in Ontario in that year."

Secondly, Ottawa says in relation to personal income tax: "You have the right to raise personal income tax in Ontario, and if you will forego raising these taxes and will sign an agreement with us that you will not do so, we will hand you back 10 per cent. of our collections in Ontario from personal income tax."

Thirdly, Ottawa says: "You have the right to raise succession duties in Ontario. If you will forego this right and sign an agreement with us, we will pay you back 50 per cent. of what we raise from succession duties in Ontario."

Thus, Mr. Speaker, there are envisaged three separate agreements. You don't have to sign for all three, or two, or one. You can sign for one, two, three, or none — just as you wish. This will cost the federal government next year approximately \$628 million, and of that \$628 million some \$213 million, roughly, will be paid, or, in any event, is offered to the province of Ontario.

There is a fourth part to the taxation agreement, it is a simple part, and it is this—Ottawa says: "Under part III you can sign agreements with us and we will give you back some money, but you do not have to. You can collect your own taxes if you wish." But, on the other hand, some provinces protest and say: "We don't want to sign because you are not going to give us enough money, but at the same time we haven't the personnel and the machinery to collect our own taxes, so we would ask you to collect them for us." And the federal government has said: "Yes, we will."

But there are 3 rather serious "catches" to this. The federal government has said: "We will not collect these taxes for you if they exceed the amounts that we offered to you under section III, namely, 9, 10 and 50 per cent." And, secondly, they say: "We will collect them for you, but only if you will agree with us for a period of 3 years that we will collect them." And, thirdly, there is a very high collection fee designed, I respectfully submit, to discourage provinces from using part IV of this Act, and at the same time they are able to say that it is available.

There are 4 parts to Bill No. 442, or to this tax rental agreement system: Part I is the equalization grant designed to bring everyone up to the same level, which is a laudable desire and goal if it is done without fear or favour. There is the second part, which I called the stabilization grants, by which if the income falls under the floor which the federal government has set, then the federal government will bring the income of the province up to the floor. And, thirdly, there is the rental section, and you can rent either one, two or three

fields, or you need not rent any. The fourth section, as I indicated, is the collection or agency agreement.

These, then, in exact and fairly simple terms, I hope you will acknowledge, are the 4 basic parts of Bill No. 442; but unfortunately, it isn't sufficient just to have a brief, scattered knowledge of the details of these sections because there are other general terms — or, rather, there are other pitfalls.

I think every hon. member of this House would agree that an agreement on paper is one thing. It may sound fine in flights of oratory; but the most important aspect is—how does it work out in dollars? How much does it put into whose pocket?

I would like, therefore, to discuss first of all the equalization grants. Now, I have indicated to hon. members that the equalization grants are designed to make the revenues of all of the provinces equal. I think that is a fair statement. That is the so-called purpose; because readily you can see that the revenue of Ontario would exceed that, for example, of Nova Scotia.

Therefore, there are two important facts: how do we decide what province needs equalization grants, and, secondly, how do we give it to them?

I have 4 observations to make in relation to these equalization grants. First of all, when the federal government has calculated revenue, the revenue of a province — and this is so important that if this point is missed, then the whole essence of the equalization grant is missed — when the federal government talks about revenue, the federal government is not talking about all of the revenue of a province. In the word "revenue" it includes only the amount that a province would have raised by way of succession duties, personal income tax and corporation tax. When the federal government calculates income of a province, it says, "So you make money from selling gas and oil, take money in from selling oil, take money in from gasoline tax, but that is not revenue to us. None of those are revenue, they may

be 90 per cent. of your budget, but they are not revenue. The only revenue we are going to discuss is the revenue we are receiving from corporation and personal income tax and succession duties."

I ask the House this: can you honestly calculate how wealthy one man is if you leave out more than one-half of his income? Can you actually calculate how wealthy one province is if you refuse to consider or even calculate or think about how much money a province may take in from many other fields which you close your eyes to?

The federal government has attempted to do so. When they say one province is wealthy and another is poor, they are thinking only in terms of how much this wealthy province or this poor province takes in from personal income and corporation taxes and succession duties. They are refusing to consider how much income a province takes in from any one of a dozen fields. Alberta not only has wiped out their debt, my understanding is they have a surplus, and that has become possible because of the revenue they have received from gas and oil. But, Ottawa says Alberta is poor, it is poor because by its standards, they are not going to count that revenue, they are only going to count the revenues from income tax, corporation tax and succession duties.

So, the first fallacy in calculating revenue under these schemes is that Ottawa has completely ignored one-half or more of the income of many of the provinces, and especially some of the provinces they call poor.

The second fact and the second criticism I have is this, that in calculating whether a province is rich or poor, they say, "We are not going to consider whether you have any debt or not."

Now, can anybody honestly tell me how you can consider whether a man is rich or poor if you do not consider whether he is in debt? There are provinces like Ontario which have gone \$700 million into debt to create an atmosphere of prosperity; they have created hydro and highways and hospitals to

attract people, and to attract industry, so that this province may prosper and they borrowed heavily to do it.

Mr. Speaker, why should not the federal government give some consideration to the debt of a province when calculating its wealth? I simply remind hon. members again, can anybody in this House truthfully tell me that a man's wealth can be judged by ignoring all of his debt and half of his income?

It seems like the reverse of the parable of the talents, a province which has borrowed heavily, invested heavily, and produced an income thereby, is called rich, and its talents are taken away from it, and the province which has not had the faith to borrow or to create anything receives the talents. They are not taking from the rich, they say, to feed the poor, it is the reverse of the parable of the talents simply because of a lack of faith of a province.

These are the two basic objections I have to the equalization grants, but there are more than that, there is a third.

Let this not be misunderstood, I believe in equalization grants; I think our hon. Prime Minister and this government does, but the basic problem involved in my third objection is the provinces who need equalizing are not going to receive the money. If any hon. member in this House were to list the areas or the people or the provinces which should be in receipt of the monies available out of this \$155 million, with great respect, I would submit, and I think you can refer to the Gordon report if you do not accept my opinion, are the Maritimes, which need substantial assistance, as well as Saskatchewan, and yet those areas, while they may receive something, will not receive the amount which should have been made available to them under these grants.

As I said before, the \$155 million next year will be paid out, but nobody in this House, not one hon. member should forget this, that \$78 million of that amount has been contributed by our people in Ontario and we are going to receive nothing back.

I do not think it unwise, therefore, that we should have the opportunity of asking questions. We are contributing half of the money, and we should inquire as to where it is going, or who is receiving it. When one goes back and thinks of these things, one realizes that Ontario receives nothing and pays half of everything which the other provinces will receive, and of that fact this province does not complain. All we wish to see is that the money which is paid is paid to areas which need assistance. We must remember that the hon. Prime Minister of British Columbia has boasted that by 1961 that province will have no debt. Alberta also has no debt, and Manitoba's debt will be cleared by 1963, according to its hon. Provincial Treasurer.

These are just a few basic facts. Let hon. members look at a couple of the recipients of these grants. There is British Columbia, which, as it was stated a moment ago, had such a high level that everybody should be brought up to it. Now, British Columbia, with a decreasing debt and no debt by 1961, expanding industry, tremendous opportunities in natural resources, is going to receive \$3 million.

Prince Edward Island, on the other hand, with a high debt, little industry, and little opportunity for expansion without encouragement from the rest of this nation, is also going to receive \$3 million.

Perforce, if it takes \$3 million to bring them both up to the same level, they must have started at the same level, and surely no one can suggest to me that Prince Edward Island and British Columbia are in equal positions.

I said a moment ago that I felt the Maritimes should be the basic recipients of these equalization payments, and yet Quebec will receive more under this arrangement than all the Maritimes put together: Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland.

I just ask the hon. members to compare the relative aspects of it and the importance to national unity. Quebec

does not even want to enter into a tax agreement, it refuses grants for education which we, in this province, would have begged for, and yet Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland are going to receive less than Quebec. Compare Alberta and New Brunswick. Alberta has no debt, it has gas and oil, very few taxes, tremendous revenues, and it is going to receive \$14 million. New Brunswick with a high debt and few natural resources, except its own stout-hearted people, with high taxes, is going to receive \$14 million.

I suggest that the test in all these schemes is to make this comparison, and when you look at that, I submit it is a real test.

There is a fourth objection to these equalization grants and that is that, following a national average, the federal government has taken Ontario as the highest, and then British Columbia. Why the top 2? Why not take the top 3, the top 4, or 5? Some people may think they should have taken the top or the whole average across the nation, and quite truthfully I would respectfully submit the whole average across the nation of \$29.00, instead of \$38.20, should have been taken. It would not give Ontario anything, but that is not my complaint. My complaint is there is not any sense in the basis which they selected.

In summary, on part I, I would say we should have equalized grants; this province believes in them, they are a wise and just thing so long as they are administered without fear or favour. You can decide for yourselves when you look at the receipts whether that is true.

My second objection is they do not equalize anything, they do not help the areas which need assistance.

The third objection is that the income is not properly calculated because it leaves out half of the income of the provinces, certainly in Ontario's case, and more than half in Alberta's case, and it does not consider the debt.

Fourthly, it does not take a national average.

Fifthly, these are perhaps rewards.

Now, the hon. Leader of the Opposition, I think, would say that it is a complete coincidence that these grants are coming so close upon an election year.

Under part II of the scheme, I would like to discuss it very briefly, for it can be done in that way. As I indicated, part II consists of what is called the "stabilization grants" and that is because the federal government in its wisdom has said in some years, during depressions particularly, the income of a province may drop below a certain floor, and since a province has to be able to calculate its income, it must, because of its expenditures, know what its revenues will be, therefore it is desirable that the federal government guarantee them. So, if its income drops below a certain floor, the federal government will bring it up.

The fallacy of the thing is this, that it is not a floor at all, it is a floor under the back part of the house, it is a floor under the personal income tax, corporation tax and succession duties, and there is no floor under the rest of the income, it can go down to nothing. However, they are saying to everybody, "We are going to guarantee your revenue," but they are not, they are going to guarantee only the revenue of succession duties, personal income tax and corporation tax if it drops below the floor.

Let us look just for a moment at the recipients. I said a moment ago that there is going to be \$800,000 paid under these grants. Who do you hon. members think gets them? A moment ago British Columbia was so high that it was taken as the standard of all of the other provinces along with Ontario, and yet \$700,000 of the \$800,000 is going to be paid to British Columbia because it is so poor. Now, not an hour has passed by, not a dollar has been spent, but this formula when it is worked out now says they are poor.

Section I says they are so rich every province should be brought up to them, and section II says they are so poor we must raise their income. It just does not make sense. Prince Edward Island is going to receive \$100,000 and that is how the \$800,000 is made up.

I think one fact that a great many people in this country forget—particularly in the federal government—is this, that the whole scheme is predicated on this province's capacity to produce. If this province's revenues fail nobody will get equalization payment for two reasons, because every province is equalized to Ontario and they will all go down. Secondly, since we pay half of the money with which all these grants are paid, there will not be any money to pay anybody.

In addition to which there will also be the loss of the stabilization payments, or part of it, because there will not be money to pay it.

With great respect I submit to this House, Mr. Speaker, that not only should Ottawa be interested in maintaining an atmosphere of prosperity in Ontario, but so should every other province of Canada, for this reason, because, as I said, if our income goes down so does theirs for two reasons, because theirs are equalized with ours and, secondly, we pay half the money they receive. If we are cut in half they are going to be cut considerably.

With that in mind, Mr. Speaker, one would think, with those brief feelings as to the importance of this province, that we would be fairly well treated under the third part of the Act. But, let us just for a moment see whether or not we are.

I shall not be long. I am anxious that this House should understand this section because it is most important, and with great respect to the hon. Prime Minister and some of his humanitarian bills which he has introduced, I would respectfully submit that certainly in my lifetime this is the most important bill that I have considered in this House.

I pointed out to you a moment ago that Ottawa wishes to have sole control of personal income tax, corporation tax and succession duties, and I attempted to tell you why, because they need the funds, but more important, so that they can control the economy of this country.

In order to get that they have to get this province to agree—that means we in Ontario, this House, this government.

Now, what do they say to this government? They say: "You can raise corporation taxes if you want to, but if you will give them to us we can raise them, and not you because we want to be the only one in Canada to do it, we will pay you 9 per cent. of all the corporation profits earned in Ontario." There is a whole valley of law involved in the statement, the word "earned", the words "corporation profits", and so forth.

Secondly, the federal government says: "If you will forego imposing any personal income tax we will give you back 10 per cent. of everything we collect in Ontario." Did you notice a difference between the two? The first one is, "We will give you back 9 per cent. of all the corporation profits earned in Ontario," not collected in Ontario, but earned in Ontario, whereas under the personal income tax it is all of the money earned in Ontario. Under succession duties they offered to give back 50 per cent. of all the money collected in Ontario, so succession duties are 50 per cent. of that collected in Ontario. Personal income tax, it is 10 per cent. of that collected in Ontario, and under corporation tax it is 9 per cent. of the corporation profits earned in Ontario.

All of this is "old hat" to some hon. members. When you total them together, the 9, 10 and 50 per cent., the total amount in dollars for this province is \$213,500,000.

Therefore, arising from that, there are only two questions to ask yourselves, firstly, is \$213,500,000 enough in this province, and, secondly, if it is not enough what can we do about it? That is all this question resolves itself into, that and nothing more. If we do not want to sign an agreement we can raise our own personal income tax, our own corporation tax, and our own succession duties, we can raise them at any rate we wish.

MR. OLIVER: May I ask the hon. member if our succession duties are included in that figure of \$213 million?

MR. MACAULAY: I understand that they are, I thought they were. I thought there was a total amount but, so I may be of some assistance to the hon. Leader of the Opposition, I want to table when I am finished, with the permission of the House, page 5989 of the federal *Hansard* which was tabled in the House of Commons by the hon. Mr. Harris. The total revenues available under the tax agreement come to \$213,500,000, and since the tax agreement includes succession duties, personal income tax and corporation tax, perforce, with respect, it must include succession duties. As I have indicated, we do not need to sign, we can collect them ourselves.

I think this is an interesting fact, there are those in the federal cabinet who are "centralizers," there are those who want to have all the power. I am not being critical of them, I am just pointing out a political economist's point of view. Those in the federal government want to have the basic power of Canada reside in the federal government, and therefore they want to collect all the money and dispense all the largesse.

There are the others who say that they are "decentralizers" and who believe that the provinces should raise their own money, take blame for their own taxes and spend their own money.

Now, a "decentralizer," for instance, is hon. Mr. Pickersgill and I would like to point out what he said, and I am quoting from *Hansard*. He said:

As far as wealthier provinces are concerned they themselves should raise for provincial purposes what they need. It is not the business of this Parliament to raise revenues for these provincial purposes.

That is a point of view of a "decentralizer." Interestingly enough I found a resolution going back to 1885

at a convention of the Liberal party where they resolved:

That this convention disapproves of the payment of subsidies out of the Dominion treasury to the provincial Legislatures believing that the system of subsidy leads to extravagance on the part of provincial Legislatures because they have the power of spending money without responsibility of imposing taxes.

You can see the roots of hon. Mr. Pickersgill's thoughts in this matter go a long way back. He is a traditional Liberal.

May I with respect look at the figures as they affect Ontario. Let us look just for a moment, and remember the total amount under the tax agreement, and I will have to correct the figure I had a dispute about with an hon. member yesterday, but I will come to it if I may. We are talking about \$213,500,000 if we rent all fields.

Corporation taxes, what do they amount to? The federal government raises \$1,100 million of corporation taxes from coast to coast. Of that, \$521 million comes from Ontario, namely 50 per cent. of all the corporation taxes raised in Canada.

MR. WHICHER: Is that earned or collected in Ontario?

MR. MACAULAY: Collected. Now, I would think and I am very happy the hon. member has said so, because it reminds me of a point I had struck out in red pencil. I was not going to discuss it but I will mention it now. Out of the figure of \$521,100,000 which is raised or collected in Ontario, the federal government is going to pay us back \$127 million. That is what they are offering to do, take \$521 million out of the province and hand back \$127 million as part of the \$213 million.

Now, under personal income tax: Ottawa collects throughout Canada \$1,288 million, taxes of little people like me and others who earn income, and out

of that \$1,288 million, \$660 million comes out of Ontario. Ontario people pay \$660 million of all of the personal income tax collected in Canada. This is a little over the corporation profit, which is about 51 per cent.

Coming to the hon. member, what the hon. member is suggesting is that because we have head offices in Ontario we are therefore collecting money when all the work is being done in another province or the income earned elsewhere. We get credit for the tax being paid.

Mr. Speaker, if that were so, then the personal income tax that is paid in Ontario would not be greater than the corporation tax that is paid in Ontario. Obviously the majority of the people earning incomes and paying income tax are here, and they must be working somewhere, they must be working for people who are paying corporation taxes. Out of the \$660 million which is collected in Ontario from our people, Ottawa is going to give us back approximately \$63 million.

Now, Ottawa, as I understand it, will leave us with about the same amount of succession duties that we are now collecting, because, as you know, we are collecting them ourselves, we are not under the tax agreement. If you put these 3 figures together, the total is \$213,500,000. The hon. Mr. Harris said in *Hansard* — I don't have the quote in front of me — in reply to, I think, the hon. Prime Minister who had suggested he had gone down to Ottawa and hon. Mr. Harris had taken pretty well a "take it or leave it" attitude in his offer — the hon. Mr. Harris said: "I did not make any take it or leave it offer." I leave it to you to judge.

Before the negotiations were opened up the figures were about 9 per cent., 10 per cent., 50 per cent., and \$213,500,000, and when negotiations closed the figures were 9 per cent., 10 per cent., 50 per cent. and \$213,500,000. Not much negotiation went on; that is surely as much "take it or leave it" as you can get.

I want to read several quotations from the hon. Mr. Harris' speech so that quickly hon. members will grasp the fundamental thinking of the man. This is inherent, because this is the most important part of the whole tax scheme and the theory behind it. The hon. Mr. Harris said—and I am quoting from page 5987 of *Hansard*:

The provinces will have available from the tax fields in which we are mutually concerned revenues which are in our view consistent with their actual responsibilities now and with those that seem likely to develop in the next 5 years.

You know what the statement means. That statement means that they are offering the 9 per cent., 10 per cent., and 50 per cent., or, in other words, the \$213,500,000, because in their opinion that is all the province needs to carry out its constitutional duties. Now, that is what the man said. He went on and said, "If you are not satisfied with that, you can raise your own taxes," all of which we know.

The hon. Mr. Harris stated \$213,500,000 is enough to cover our duties for the next 5 years. Therefore what I want to cover with this House for a moment or two is this: is \$213,500,000 enough to cover our future duties? And I ask hon. members to consider this in terms of the next 20-year period, because this must be forecast over a considerable period of time, and that is the basis upon which the Gordon report, and the submissions to it, were based. These figures I will not trouble the House with, but if the hon. members would just get the main round figure I think I can show immediately the problem with which this province is faced.

Last year, the year for which the hon. members received the provincial auditor's report, this province took in approximately \$430 million. Assuming that we will receive that much each year for the next 20 years, assuming it will not increase, let us multiply \$430 million by 20. We reach the figure of

\$8,600 million. Those are so vital that the whole credit of our province is on the line on this matter. Last year we took in \$430 million, and when that is multiplied by 20 years, it comes to \$8,600 million of ordinary account.

But last year, beside that, we spent an additional \$45 million and we went into debt by that amount. Therefore we spent at least \$473 million last year. But just taking it at \$430 million as our revenue, just for the moment, thus if our revenue and expenditures—because our expenditures were the same last year, about \$430 million—now by multiplying that, as I said, by 20 we will come to our ordinary expenses without increasing or taking anything on. Without increasing the cost of labour or the cost of material, over the next 20 years we come to a figure of \$8,600 million we are going to have to spend, just on the basis of last year's ordinary expenditures, including some ordinary capital expenses.

But, Mr. Speaker, the important factor in this respect is this, that it does not consider at least 5 capital expenses amongst many other things, that are going to have to be undertaken. It does not consider the demands which are being made for more aid to municipalities and paying them more. It does not consider the millions of dollars which must be invested in hydro and water resources and sewage. It does not include developing and enlarging our educational system, on which we have had many demands. It does not include any money over and above what we have spent recently for highways, and it does not include a hospital plan.

My submission to you, Mr. Speaker, is that these are just a few expenditures over and above the \$8,600 million we will need in the next 20 years. And as they are, come very closely to \$4 billion, to be directly spent by this province. If we put the two figures together, \$8,600 million, and we come to \$12,600 million, that is how much money this province is going to need for ordinary revenue, \$8,600 million and \$4 billion for the extra needs that we can now see. And

those are calculated on today's costs of labour and material and they do not envisage many more things than those we are talking about now, and that is \$12,600 million we are going to need in 20 years.

Divide that by 20 and the answer comes to approximately \$600 million a year, and that is what we are going to need for the next 20 years—\$600 million, and this last year our revenue was \$430 million and is therefore \$170 million short for all the years ahead, each year.

That is the simple fact, and I say with respect these are conservative estimates—with a small “c” as I have indicated—and that is the basic problem. These are not my own figures, they are figures which are taken collectively from the reports I have read and the speeches which have been delivered in this House. I submit with respect that this province is facing the future with a shortage each year of approximately \$170 million, unless steps are taken to increase revenues over and above the revenues which we have received in this last year. Now that is the whole problem, \$170 million a year.

The hon. Leader of the Opposition is a very fast mathematician, as all know. When he adds together \$50 million, which he said was the figure under the tax agreement—the sum is actually \$53 million—I was wrong and he was right; in that he said it was \$50 million he was wrong, we are both wrong, but he is less wrong than I am—

MR. OLIVER: I am more conservative.

MR. MACAULAY: You are more conservative. He added \$50 million to \$10 million and got \$70 million, which was a feat which I think even the hon. Mr. Harris, his close friend, would like to know something about. He said: “That is what we will gain under the new tax agreement if we sign it; we will get \$70 million more.” The fact is, we will not get \$70 million, and I will come to that in a moment—“but on top of that,” he said, “there is another \$20 million I forgot. Over the last 5 years,

every year our revenues have been increasing by \$20 million."

MR. OLIVER: Oh, no.

MR. MACAULAY: Did the hon. Leader of the Opposition not say that? Well, at least I have it here in *Hansard*. Anyway, what the hon. Leader of the Opposition, who is a fast mathematician, forgot to say is that expenditures have increased over the last 5 years at an average of \$25 million, so we are certainly not going to save much there. That is one of the inherent problems of being a fast mathematician.

If I may move on from that, we certainly cannot count on anything under a natural increment to our income, because our expenditures are increasing equally, by reason of increased labour, and the other things; these are more than taking up the natural increment to our income.

If the old agreement of 1952 were continued in the future for all the years ahead I am speaking about, we will obtain \$44 million more. That is, of the \$170 million I am worried about, \$44 million has been taken care of, because it will come under the old agreement.

If we sign a new agreement we will get \$53 million more, therefore \$53 million out of the \$170 million has now been taken care of, so it is not quite so large. On top of that we are now, because the federal government has finally vacated a field which they had no right to be in in the first instance, namely, a two per cent. tax on insurance premiums; they are going to vacate this field and leave to us that which was ours to start with, we are going to be able to raise another \$10 million.

Now, assuming we agreed to the agreement, adding on \$53 million under the agreement, and \$10 million from the insurance tax, that is \$63 million; subtract that from the \$170 million, I say we are going to be short and we are still short \$107 million, and with the greatest of respect I submit that there is the problem.

HON. MR. FROST: That is right.

MR. MACAULAY: And I have not worked this out with the hon. Prime Minister, as some people may suspect. We do not see *ad idem* on everything, and I do not "cosy up" to the hon. Prime Minister to find out what his figures are. These are my own figures taken from the reports that I have attempted to work out, and I estimate we are going to be short \$107 million if we sign the agreement.

Therefore the simple question to ask is: "Can we afford to sign the agreement?" and the clear answer is: "No, we cannot." And why we cannot is this: if we do sign the agreement, we have wiped out the chance of raising any money from any serious source, other than several I will speak of in a few moments, we have wiped out the chance of raising taxes from the largest single sources in the largest single amounts, and so cannot afford to sign a tax agreement, for all of the 3 taxes, in any event.

I do not think that 9, 10 and 50 per cent.—\$213 million—is going to produce what this province requires. With respect, I think it would still leave us \$107 million a year short.

I submit to hon. members opposite, the CCF and the Liberals, that they would better have served the interests of this province if, when this bill had come forward in Ottawa, they had got to their feet and fought for our people rather than, as I say, apologizing for the fact, apparently by their quietness, that they were members of a party now ramming through a bill of that nature.

The hon. member for York South who I see has vacated his seat — I hope I have not driven him out, but perhaps I have — complained last year, it will be remembered, of the Liberals and the Conservatives "hopping into the same bed" to defeat the CCF candidate in Cochrane. If the Liberals and the CCF did not "hop into the same bed" on this bill to defeat the interests of the people of this province, I do not know what it means. And in any event, the bed is not big enough to hold both of them.

As William Lyon MacKenzie quite rightly said, and I think it applies so much to hon. members opposite: "An ounce of party loyalty is worth a pound of brains."

I was going to make reference to a statement made by the hon. Mr. Harris with reference to the fact—well, I think I should read it, to complete the record.

He said:

I must say the fact that some provincial government might choose to impose taxes in these fields rather than agree to a tax rental system does not bother me particularly, because I realize that while there will be, in that particular province, a little bit of difficulty for the taxpayer in filling out more taxation forms and satisfying a second government instead of only one, I think this will be accepted by the taxpayer in that province on the basis that the provincial government in its wisdom feels it is desirable to enter into this field, either for maintaining its autonomy or for the purpose of obtaining a greater revenue for that particular tax than that which we would be able to provide by the tax rental agreement.

Therefore, the simple issue is this, we have a \$107 million deficit facing us, and the tax agreements do not appear, in my opinion, to make it up, and I do not think it is my opinion only.

I would like to make a reference to an editorial, an excellent one I anticipate, written by Mr. Honderich in the *Star*.

He said:

The only alternative is for Ottawa to allow the provinces a larger share of income and corporation tax. In the *Star's* opinion this is not only desirable but necessary.

But there are other objections, Mr. Speaker, and there will be with relation to this particular section. It is not a solution. We have been praying for a solution now for years. These tax rental agreements are no solution, what we

really need is a redistribution of tax fields and responsibilities between the federal and provincial governments and the municipalities.

Secondly, there is the trap involved in these agreements, as I said, about corporation tax earned in Ontario. The figure really is not known, we do not know that we are going to get \$213,500,000, that is the hon. Mr. Harris' estimate. He may well decide, when he looks at it, that not nearly that much was "earned" here.

Thirdly, there is a "joker" clause—the hon. Mr. Harris is full of jokes—there is a joker clause which provides this, and as you know there is a section which says: "Ontario is free to raise its income taxes if it does not want to sign an agreement."

And yet the joker clause says: "If it raises the taxes over the levels which we set, 9, 10, or 50 per cent., or it tries to raise more money than \$213,500,000, we will deduct from you off the other end."

Not only that, but the fourth objection to it is that we are now heading into the field of double taxation, the very thing that these tax agreements were designed to avoid. The *Toronto Daily Star* concludes in one of its editorials, which I think was an excellent one, and its personnel are not known supporters of this government but they are independent in their thinking and interest, as every hon. member of the House should be regardless of his political affiliation, the *Toronto Daily Star* said:

It is doubtful if the government is now deriving all the taxes it can from forest resources and the sales of beer and liquor —

And yet, it will carry editorials about what awful people we are because of the revenue coming in from liquor; however, that is a fair statement—

But even if it utilizes these tax sources to the full, it cannot hope to raise all the revenue required. Almost

certainly it will have to raise corporation taxes above the 9 per cent. offered by Ottawa. This of course means double taxation and will put Ontario business at a disadvantage with firms in other provinces.

So as this goes on Ottawa is sitting with a \$400 million surplus; and, secondly, while British Columbia is wiping out its debt, as is Manitoba and Alberta, ours is increasing every year. And Ottawa ignores, as I have said, without repeating extensively, the very fact that this province is faced in the future with a deficit of \$107 million, unless we do something about it. The *Star* also said:

Ottawa's argument that it cannot increase the provinces' share would be more convincing if it was not in a surplus financial position and will probably finish the current year with a surplus in excess of \$500 million.

I will take a minute with this part which will, I am afraid, "rock" many hon. members opposite, but here are the recommendations which, with respect, I submit to this House for its consideration are the only ways in which we can deal with the deficit with which we are faced of \$107 million.

We are going to need money to carry on our ordinary expenditures desperately and also to undertake the vast capital expansion programme, and are going to have to balance our budget, and are going to have to make an effort to reduce our debt.

We must, therefore, take 5 steps, I respectfully submit:

Firstly, raise greater liquor revenues, from \$8 million to \$10 million; part of which may now be underway in view of the price increases;

Secondly, raise gasoline tax and licence fees so as to produce \$30 million to \$40 million more from The Department of Highways;

Thirdly, raise \$10 million more from The Department of Mines and The Department of Lands and Forests;

Fourthly, impose a corporation tax of 2 or 3 per cent.; 2 per cent. will produce \$28 million; 3 per cent. will produce \$42 million.

And fifth, and most regretfully because I am opposed to it, we may have to go into the field of borrowing and deficit financing further.

And if these are not enough we may yet have to resort to sales tax, and if that is not enough in 5 years may have to resort to personal income tax.

Therefore, in conclusion, Mr. Speaker, this province should sign, respectfully I feel, the succession duty aspect of part III of the bill, because we will obtain no more or no less money under that than we are able to collect ourselves. A great sacrifice will be made by signing the agreement with reference to personal income tax, namely, obtaining only about \$66 million, the 10 per cent. return. But, because of the inherent problems in its collection and the many problems it would cause, with respect I submit that we should sign a tax agreement in connection with personal income tax.

But, Mr. Speaker, we must not, we cannot, and this government would be defaulting in its responsibilities were it to sign, I submit, an agreement with reference to corporation tax.

I would therefore only say to this government and to the province, and to the hon. Provincial Treasurer (Mr. Porter) and the hon. members supporting it, remember that the Conservative party, above all parties in this province, stands, as Banks wrote in his famous poem:

For the cause that needs assistance
For the wrong that needs resistance
For the future in the distance
And the good which we can do.

With your permission, Mr. Speaker, I include the following table in *Hansard*:

JULY 16, 1956

5989

ESTIMATE OF THE OPERATION OF FINANCIAL ARRANGEMENTS UNDER PROPOSED "FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS ACT" FOR THE FIRST FINANCIAL YEAR 1957-58 UNDER CERTAIN ASSUMED ECONOMIC CONDITIONS (see footnote)

(all figures in thousands except per capita and percentages)

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1. Estimated population, 1957	432	108	703	578	4,700	5,509	867	929	1,172	1,377	16,375
2. Yield of standard taxes	4,355	840	9,725	7,375	129,965	213,500	18,765	13,255	26,100	49,525	473,405
3. Per capita yield of standard taxes	10.08	7.78	13.83	12.76	27.65	38.75	21.64	14.27	22.27	35.97	—
4. Equalization per capita to top 2 (\$38.20)	20.82	30.42	24.37	25.44	10.55	—	16.56	23.93	15.93	2.23	—
5. Equalization payment for 1957-58	12,150	3,285	17,130	14,705	49,585	—	14,360	22,230	18,670	3,070	155,185
6. Standard taxes plus equalization payment	16,505	4,125	26,855	22,080	179,550	213,500	33,125	35,485	44,770	52,595	628,590
7. Standard taxes plus equalization payment	38.20	38.20	38.20	38.20	38.20	38.75	38.20	38.20	38.20	38.20	38.39
8. Stabilization payment for 1957-58 ¹	—	145	—	—	—	—	—	—	—	735	680
9. Revenue available from 2% provincial insurance premium tax	235	70	780	565	6,325	10,170	1,110	660	1,580	2,100	23,595
10. Total revenue available, 1957-58	16,740	4,340	27,635	22,645	185,875	223,670	34,235	36,145	46,350	55,430	653,065
11. Tax rental payment available in 1956-57 ²	68.75	40.19	39.31	39.18	39.55	40.60	39.49	38.91	39.55	40.25	39.88
12. Tax rental payment available in 1956-57 ²	14,155	4,165	21,975	18,505	140,515	169,875	28,620	28,625	35,265	50,715	512,415
13. Increase in proposed formula in 1957-58 over 1952 agreement formula in 1956-57	33.54	38.56	31.71	32.58	30.48	31.78	33.36	31.49	31.51	37.82	32.08
14. Increase in proposed formula in 1957-58 over 1952 agreement formula in 1956-57	2,585	175	5,660	4,140	45,360	53,795	5,615	7,520	11,085	4,715	140,650
15. Per cent. increase	18.3	4.2	25.8	22.4	32.3	31.7	19.6	26.3	31.4	9.3	27.4
16. —per capita increase	5.31	1.63	7.60	6.60	9.07	8.82	6.13	7.42	8.04	2.43	7.80
17. Tax rental available in 1957-58 if the 1952 agreement formula were continued ³	14,890	4,270	22,865	19,320	146,620	179,290	29,620	30,010	37,990	53,330	538,205
18. Increase in proposed formula in 1957-58 over the 1952 agreement formula in 1957-58	34.47	39.54	32.52	33.43	31.20	32.54	34.16	32.30	32.41	38.73	32.87
19. —per capita	1,850	70	4,770	3,325	39,255	44,380	4,615	6,135	8,360	2,100	114,860
20. Per cent. increase over 1952 formula	12.4	1.6	20.9	17.2	26.8	24.8	15.6	20.4	22.0	3.9	21.3
21. Per capita increase over 1952 formula	4.28	0.65	6.79	5.75	8.35	8.06	5.32	6.60	7.13	1.53	7.01

The yield of standard taxes and the insurance premium tax have been increased by 6% per annum over the basic 1955 data. The distribution of taxable incomes, profits and successions between provinces is on the basis of data presently available. 1956 federal rates for individual income tax and succession duty have been used.

¹ To bring up to tax rental payment available in 1957/58 if the 1952 agreements were to be extended.

² Estimated on gross national product at factor cost of \$23.56 billion (corresponds to GNP of \$26.77 billion at market prices).

³ Estimated on gross national product at factor cost of \$24.70 billion (corresponds to GNP of \$28.00 billion at market prices).

This statement is for illustrative purposes only

MR. R. E. ELLIOTT (Hamilton): Mr. Speaker, first I would like to congratulate you on the very excellent manner in which you have performed your duties in this Legislature. I think you have set a pattern for fair and just ruling and have kept this House in good order.

It is known to all of us that the recent policy of the federal government that has curtailed credits and bank loans is making it very difficult for many types of business to carry on normal operations. I believe that there is not one industry that has been harder hit than the building industry.

This afternoon I would like to point out a few of the difficulties connected with the construction of homes. It is well known to hon. members of this Legislature that I am in the construction business and have built many homes in different parts of this province.

I started in the building industry in 1945. I was building a home at that time which sold for around \$4,800. The first mortgage on that home was \$4,300 at 4.5 per cent. on a 20-year payment plan, which, as hon. members can see, made a down payment of \$500. I have seen the same house sell in the last couple of years for as high as \$13,000. Since then I have built many of them at that price.

However, each year the price has gone up until today we build and retail that same house at around \$12,500. And, actually, I would say, we make less profit today than we did in 1948. I have known men to obtain conventional loans on that same house — that is, people have paid off the mortgage—for \$6,500; and I don't know if the House realizes it or not, that a conventional loan today is considered to be 50 or 60 per cent. of the retail value of the property.

I could tell you a great story of the romance of the industry over the past 12 years. The men who made money in the building industry are the ones who really put their profits back into land. The successful builders put their profits back into land, and the land is

where the real profit has come from over the years.

You would be surprised if I were to say that even today, with the tight money market and interest at 6 per cent., I believe that the demand for houses is almost as great as it was in 1945. I would say that the demand for houses in the \$10,000 to \$12,000 bracket in Hamilton — and I believe that goes fairly well for the large cities throughout the province — is even brisker now than it was at that time.

I must explain that one of the lending associations over the last 12 years has granted as many as 70,000 loans, and there has not been one foreclosure on the land. Actually, when a home is bought through the Central Mortgage loan, one can use only 23 per cent. of one's income; and these people pay for their homes in the majority of cases. If they sell them they make a considerable profit on their investment.

The trouble is that they probably make a quick profit on their investment, that is to say, on homes bought 8 to 10 years ago, but if they buy another one they immediately pay the top price and the profit they make on the first one is used up in the second, and, therefore, they are no better off.

As has been mentioned in the speech from the Throne, Ontario is now up to approximately 5.5 million in population, and is still growing, and only people making, say, \$4,000 and up can qualify to buy a home or build a home in the \$10,000 bracket. It is my opinion that we have to find a way of building more homes in that price range as there is a terrific market for them.

I find that 80 per cent. of our customers today are the young people, they would far sooner live in a home of their own and are much, much happier than in rented quarters. These people are being hit harder and harder all the time, and I am sure that we must get around to building more rental homes. I want to back down a little bit from my argument of last year, because the people making under \$4,000 will have to be taken care of in some way or other; and I believe

there is a real necessity for the building of homes for people in this bracket.

If I might just give the House a picture of what I had in mind, I had the idea of building in Hamilton 250 rental apartments, and I had the plans and the specifications all ready, had the land to put them on; but the planning and the zoning of the city of Hamilton and people in the district didn't see eye to eye with me, and, of course, the project was turned down.

Since this programme was suggested some 9 months ago, I have been deluged with people wanting rental units. In fact, I had two gentlemen last week who have gone to Hamilton to work, both of them with good positions, one of them with the federal government making \$3,500 a year—and each of them has a wife and 5 children—and now, after two months, they have been unable to find accommodation for their families.

With the tight money market, and with building slowed up to a walk in the last 8 or 9 months, and just as many people coming to our country—and families, they tell me, increasing in size—the demand from here on is going to be more brisk for rental housing or for apartments, and something will have to be done to take care of these people I have just mentioned, because they certainly can't afford to pay \$100 to \$125 a month rent. As I have mentioned, with the housing industry slowing up in the last year, rentals will in my opinion be increased from 5 to 15 per cent. in the next year, and unless something is done, and done this year, to build rental units to take care of that situation, we are going to have people taken out of houses who are not going to be able to live with their families.

In the past couple of years a number of new homes have been built, but in 80 per cent. of the cases they have been of the \$14,000 to \$20,000 variety, which completely eliminates the people making under \$5,000 a year.

I believe there is a surplus of this type of home today in the big cities, including Hamilton. With the building industry

slowing up in the last 6 months, they are rapidly being taken up, and I believe by the end of the summer will be completely taken up and that next fall and winter the shortage is really going to be acute.

The main problem today, and from here on, is going to be services to land, by which I mean sewers, water, roadways and even schools. The municipalities in 1945—at least, the city of Hamilton—had thousands of vacant lots—well, I would say hundreds, perhaps not thousands—and a great many of these were already serviced, and the balance of them were costing very little to service, or could be connected to their present sewage disposal plants.

But the situation is different today. The land is all gone, and the expansion of land requiring sewers, water, roadways and other services has reached a point where municipalities cannot afford to finance any more services. In Hamilton they have gone up nearly 600 per cent., and still there is just as much demand for housing today as there was then.

With the land now going up in price—and all of the land in the surroundings of all cities like Hamilton has gone up to the extent that a lot which we formerly purchased for \$100 is now \$2,000—you can see the problem of housing in the great demand today.

There are very few builders who can afford to put in their own services. If the tight money market continues, the services cannot be added to the mortgages or the mortgages will be too high for the people qualified at the 23 per cent. mark, and they will have to make even \$5,000 a year to qualify for the \$10,000 home. I have found that today it will cost in the neighbourhood of \$1,000 a lot in a 40 to 45 foot lot, and that does not include schools. The municipality has come to the point now where they are asking \$20 a foot for services.

Under the present system, as suggested by the municipalities today, this cost will be added to the mortgage; and the worst part of it is that the people that have bought and built

homes over the last 12 years have been able to get the services, or pay for them, in their taxes in the regular way. But the people today, if they have to add this \$1,000 for services to the cost of the mortgage—it will make it absolutely impossible for them to qualify under that clause.

I would say today it is the young people in 75 to 80 per cent. of the cases who are buying homes, and if we could only find a way of helping them to finance at least the additional \$1,000 it would make it much easier for them to establish themselves in their own homes. I believe that our young people are entitled to this opportunity. The Canada of the future will rest in their hands and, in my opinion, we must put more trust in them today so that they will be able to carry on in later years and take our places in the development of this country of ours.

I know that money is tight today—very tight; in fact, it is coming to the point where it is just as difficult for the municipalities to borrow money for the services as it is for the contractors to get funds to build houses.

Therefore, I am going to make this suggestion, that if we could start a programme of loaning our young people who are getting married in the future, say, \$1,000 credit to put into a home of their own and then pay it back in principal and interest over 10 or 20 years, that would be the best investment any government has ever made in the people of this country.

Personally, I have built hundreds of homes, and I can say that in a great many cases these people borrowed any-

thing from 70 to 90 per cent. of the down payment from their friends and relatives, or even finance companies; and I have seen very few of them fail.

If this scheme I am suggesting is not possible—and I know it is somewhat erratic—we certainly must help the municipalities to obtain more serviced land so that our people can buy and build their own homes and establish themselves and have the same opportunity that we have had in our lifetime. I do not think it is fair in any shape or form that the building industry should be stopped today due to too-tight money, because it is the people who live in these homes who are the backbone of this great country of ours, and who, in my opinion, always will be.

I am for supporting our young people today so that they may have as good, or better, opportunity to establish themselves as we, the older citizens, had—and I do not consider myself that old. In fact, I feel that I have many years of useful work left in me yet, and I feel that the young couples of today in their late teens and early twenties will make as good, if not better, citizens than I.

MR. A. H. COWLING (High Park): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

Hon. G. H. Dunbar moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5.00 of the clock, p.m.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Friday, February 8, 1957

THE QUEEN'S PRINTER
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1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

FRIDAY, FEBRUARY 8, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

CLERK OF THE HOUSE: The following petitions have been received:

Praying that an Act may pass to incorporate the Ontario Professional Foresters Association.

Of the Corporation of the Township of North York praying that an Act may pass authorizing by-laws to provide for the amalgamation of two or more street-lighting areas, and to provide for retirement allowances for certain employees.

MR. SPEAKER: Presenting reports by committees.

Motions.

Introduction of bills.

McMASTER DIVINITY COLLEGE

Mr. D. M. Kerr, in the absence of Mr. A. J. Child, moves first reading of bill intituled, "An Act to incorporate McMaster Divinity College."

Motion agreed to; first reading of the bill.

CARLETON COLLEGE

Mr. D. H. Morrow moves first reading of bill intituled, "An Act respecting Carleton College."

Motion agreed to; first reading of the bill.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House, the following:

1. Report of the Ontario Stockyard Board for the year ended June 30, 1956.

2. Report of the Ontario Food Terminal Board, Department of Agriculture, Ontario, for the year ended March 31, 1956.

MR. S. L. HALL (Halton): Mr. Speaker, before the orders of the day, I would like to make an announcement which I am very sorry to make, concerning a man who was a particular friend of mine, Mr. George A. Hemstreet, who in his 104th year, passed away in Milton, leaving his widow, who was in her 102nd year. They celebrated their 75th wedding anniversary last year, and were the oldest married couple living together in the British Empire.

MR. SPEAKER: Before the orders of the day, I would like to welcome the students of the London Teachers' College who are seated in the west gallery, to view the proceedings of this House.

Orders of the day.

THE PUBLIC SCHOOLS ACT

Hon. W. J. Dunlop moves second reading of Bill No. 47, "An Act to amend The Public Schools Act."

He said: Mr. Speaker, this Bill No. 47 makes a number of changes, a number of improvements in the Act.

In the first place, there has been some difficulty occasionally in the matter of renting or contracting for school buses, and this bill gives school boards the authority to buy buses and arrange directly for the transportation of pupils. That is one of the sections.

Another section of this bill which, as I told the hon. member for Waterloo North (Mr. Wintermeyer), goes to the committee on education; it provides for the admission of pupils who have attained the age of 5. A pupil who has reached that age before December 31st is then free to attend school in the following September when the school opens.

The reason for this is that there have been a number of cases where boards have insisted that children be 6 years of age before they attend school, and there are other cases where parents have taken children to school saying they were 5 years of age in the middle of February, perhaps, and are therefore entitled to attend school. This section clears that up, we hope, for at least the present.

Another section provides for approval by the Minister of by-laws which are passed by school boards and by councils, providing for changes in school area boundaries. The reason for this is that in some cases these by-laws have been given two readings by council and have been sent in for approval, and then the third reading has not been given and the by-law has died.

There is another section which provides for the admission to school areas, township school areas, of different school sections.

There is also one (and it is a very live question) having to do with the admission of a school section to a township school area, and also for the withdrawal of a school section from a township school area. That is a very live

matter at the present time in some parts of the province.

There are two or three sections dealing with the matter of school boundaries, township school areas, and school sections included.

There is another section dealing with the union school sections and the appointment of an arbitrator to deal with the disposition of assets and liabilities when two or more school sections join a school area.

There are several sections dealing with that, and there are some sections dealing with the procedure in the case of an unorganized territory where a township school area is to be formed.

That is a fairly general provision of this rather long amendment to The Public Schools Act. There is a section, of course, about schools which are closed and what is to be done in cases of that kind.

MR. OLIVER: Will the hon. Minister say something about section 17?

HON. MR. DUNLOP: Yes. At the present time, cities, towns and other municipalities having 100 teachers or more are authorized, with the approval of the Minister, to appoint their own inspectors as in Toronto, Hamilton, Windsor, Ottawa and so on; to appoint and pay their own inspectors.

This section, if passed, would authorize a municipality with 75 teachers to appoint its own inspector.

MR. NIXON: Would they receive any provincial grant on the salary of that inspector?

HON. MR. DUNLOP: No, they receive grants on the salaries of the teachers, but not of the inspector. May I ask, Mr. Speaker, whether there are any other questions; anything I may have omitted?

Motion agreed to; second reading of the bill.

THE SCHOOLS ADMINISTRATION ACT

Hon. Mr. Dunlop moves second reading of Bill No. 48, "An Act to amend The Schools Administration Act, 1954."

He said: Mr. Speaker, this bill proposes that all school boards may have authority to erect and maintain any wall or fence deemed necessary by the board or required by the regulations for enclosure of school premises. Heretofore, public school boards have had that authority, but it has not been available to boards of education having secondary schools, and the idea is to now authorize all school boards to erect a fence and pay for it if they wish.

Section 2 of this bill provides for a form of declaration for those who are elected to be trustees. It goes on to say:

Every person elected or appointed to a board, before entering on his duties as a trustee, shall take and subscribe before the secretary of the board or before any person authorized to administer an oath, the oath of allegiance in the following form:

That is here.

Section 3 is rather a necessary section today. School boards, foreseeing that the municipal boundaries may in a few years be considerably extended, and wishing to provide in anticipation of a school being necessary in a part of the locality outside the municipal boundaries, will be authorized to purchase land outside their own boundaries for the erection later on of a school. I should like to know, Mr. Speaker, whether any hon. member wishes to question that?

MR. J. J. WINTERMEYER (Waterloo North): Mr. Speaker, I would like to know from the hon. Minister — the hon. Minister seems to think that is a desirable power in the municipal boards, at least in the school boards of the various municipalities. Does the hon. Minister think that school boards will use that power indiscreetly? Obviously, it has no limitation, conceivably if boards decided to buy land ahead,

and expected that they could buy land cheaply at a time when the land is outside the city limits, but at the same time save money for a later date.

But, on the other hand, I do think that it is open to the possible suggestion that it will be used to develop certain areas outside of municipalities at a time and in a manner different from what would be expected in terms of normal development. To be more specific, there is a terrific power in the board to determine the development of an urban area outside the municipality boundaries, because we all know in land development lack of a school site is a very important factor in the development of an area. I would like to hear the hon. Minister's comments in that respect.

HON. MR. DUNLOP: I should like to be able to say that school boards are never indiscreet, but I cannot say that, they might possibly be. However, it seems to me that we can at least restrain them, but I shall be glad to have that fully discussed in the committee on education of which the hon. member for Waterloo North is a member.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I was going to say that one very obvious objection to this particular legislation would seem to be there is nothing in the Act as set out here to restrain the school board from buying or acquiring land 5 miles beyond the boundary of the municipality, or buying it 5 years ahead of the time they will need it. In that sense, they would be holding the land for 5 years ahead of their actual needs, and I think we should definitely go into that.

HON. MR. DUNLOP: Your objection is noted, and we can go into that fully.

MR. NIXON: Is there anything which would prevent a school board from selling this land? They may get into a major land speculation deal.

HON. MR. DUNLOP: They might, that is true.

MR. NIXON: I think there should be some safeguards in that section.

HON. MR. DUNLOP: We will see if we cannot get a safeguard for it, and I think probably we can.

Section 4 is rather a live matter at the present time, that is, providing for contributions for those who live in trailers or in trailer camps towards the education of the children of the municipality.

May I ask whether anything is to be said on that one?

It goes on for another page dealing with the matter of trailers, and that will have to be discussed fully in the committee on education.

MR. OLIVER: May I ask the hon. Minister if up until now has there been any assessment of these trailers?

HON. MR. DUNLOP: In some cases, they arrange to have some contribution, but it has been a little difficult, and has not been at all uniform, so we are trying to make it uniform, and have it a regular part of the contribution which must be made by people in trailers.

MR. T. D. THOMAS: Mr. Speaker, I would like to ask the hon. Minister a question in respect to the second one, the erection of fences around school properties. Would not the school board be entitled to any portion of the grants for erecting such fences?

HON. MR. DUNLOP: Yes. In Bill No. 47, in the first section, which is "permanent improvements", I think I have everything in Bill No. 47 on the first page, but have not mentioned a fence there.

MR. THOMAS: That would be permanent, of course.

HON. MR. DUNLOP: I know it qualifies, anyway.

Motion agreed to; second reading of the bill.

THE SECONDARY SCHOOLS AND BOARDS OF EDUCATION ACT

Hon. Mr. Dunlop moves second reading of Bill No. 49, "An Act to amend The Secondary Schools and Boards of Education Act, 1954."

He said: This bill, section 1, deals with a high school district in a territorial district. There are a number of high school districts in counties particularly throughout southern Ontario, and a good many of them; so far we have not done very much in the matter of high school districts in the territorial districts in northern and northwestern Ontario, and this bill is largely intended to provide procedure and authority and in general to bring high school districts as they are formed in northern and northwestern Ontario under the same general procedure, and arrangements, as obtain in southern Ontario.

May I ask, Mr. Speaker, whether there are any questions on this one?

MR. OLIVER: On section 3, Mr. Speaker, is that a departure from the position presently holding? I interpret that to mean where a county council makes appointments of a board of education, this section stipulates that no one appointed shall be either a trustee of the secondary schools or in the public school area.

At the present time, if my memory is accurate, that is not the case; I can think of county council appointments wherein trustees in their own right make very admirable members. I can think of county council appointments who are not trustees in their own right, but who make very admirable members of the appointed board of education. It would seem to me that very serious thought would have to be given before you would exclude all but trustees from this particular council.

HON. MR. DUNLOP: I am not sure, Mr. Speaker, if that forbids the appointment of a man who is not a member of the board of education. A

member of a board of education appointed by a county council or a separate school board is a trustee for secondary school purposes only, and all other members of a board of education are trustees for public and secondary school purposes. I do not think that prohibits appointing such a man as you suggest. However, I will look into that also.

Motion agreed to; second reading of the bill.

THE DEPARTMENT OF EDUCATION ACT

Hon. Mr. Dunlop moves second reading of Bill No. 50, "An Act to amend The Department of Education Act, 1954."

He said: Mr. Speaker, for some years we have had an appropriation of \$6,000, which has been used to provide 4 scholarships of \$1,500 each for teachers who wish to study outside the province of Ontario.

Usually it has been the case that these scholarships have been awarded on application to teachers who wish to become more proficient in modern languages. Many of them have gone to France, Germany, or somewhere else in Europe for a year, but now we have widened it so they may study anywhere outside of Ontario where there is an opportunity to improve their qualifications and their knowledge of their own subject or subjects.

However, the \$1,500 is no longer adequate. When a teacher gives up his or her salary for the year and goes to Europe or to some other country for study, the \$1,500 is not adequate, and so we would like to continue having 4 scholarships, but would like to have \$2,000 as the amount of each.

MR. NIXON: May I ask the hon. Minister how that is arrived at? It is such a small figure of 4 teachers; should that not be open to be at somebody's discretion? Is it always 4?

HON. MR. DUNLOP: So far.

MR. NIXON: How do you select them?

HON. MR. DUNLOP: They make application, and we look into their standings and the work they have done and their proficiency.

MR. NIXON: How many applications would you get in a year?

HON. MR. DUNLOP: Usually 5 or 6; I have not seen any more so far. It is a good idea if we had more money.

MR. NIXON: After all, \$8,000 is not very much money out of \$117 million, is it?

HON. MR. PORTER: That is a very easy thing to say.

MR. WINTERMEYER: I was going to ask the hon. Minister of Education whether he thinks it would serve the purpose of education in Ontario to provide the amount for the 5 or 6 who apply?

HON. MR. DUNLOP: Yes. They give up their salaries. That is not something they are particularly anxious to do unless they are very well able to do so. At the present time, 4 seems to be a sufficient number. However, we can always add to it, we hope.

MR. WINTERMEYER: Would the hon. Minister like to add to it?

HON. MR. DUNLOP: Oh, yes.

HON. MR. PORTER: All hon. Ministers would like to add to it.

MR. MacDONALD: There is the guardian of the Treasury "on the bit" today.

Motion agreed to; second reading of the bill.

ADDRESS IN REPLY TO SPEECH
FROM THE THRONE

MR. A. H. COWLING (High Park): Mr. Speaker, I would like to offer congratulations on your high office. I know that you will conduct yourself as you have always done in the past to the satisfaction of all hon. members in this House.

Today I would like to take a little time and make some comments on the subject of health insurance.

I realize that hon. members have had a pretty good go at this in the last couple of weeks, but at the same time I feel there are some aspects of the situation that could be enlarged upon and could be magnified in ways that have, perhaps, not been done to date.

I want it clearly understood, Mr. Speaker, that I support everything our hon. Prime Minister (Mr. Frost) has said concerning health insurance, notwithstanding some of the talk and discussion we had in our health committee last year. I notice in a temporary absence of mine that the hon. member for York South (Mr. MacDonald) made some comments about that, and may have some further comments to make when I am finished.

The correspondence between the Rt. hon. Prime Minister L. St. Laurent and our own hon. Prime Minister merits, I think, quite a bit of consideration. They are well written letters, and the hon. members who have taken the time to read them over in substance can get a pretty good indication of how the programme is going to be instituted, and when it will occur.

I shall refer to a letter dated January 24, 1957, addressed to the Rt. hon. Mr. St. Laurent, by Ontario's hon. Prime Minister, and on page 2 there he says:

In all our discussions we have held at various levels this proposition has been made abundantly clear. The plan we have proposed is premised upon (a) federal participation from the commencement—

I think, Mr. Speaker, the hon. members will agree with me, that it is necessary to have a commitment by the federal government, insofar as financial participation is concerned, before we can launch a programme of such magnitude and such financial expenditure as our proposed health plan.

Then the hon. Prime Minister goes on to say:

The coverage we propose will take care of the catastrophic incidence of sickness. It will eliminate hospital deficits and will lighten and probably eliminate the financial burdens of our municipalities. On the other hand, many of the present coverages include items, and very important items, which are not, and could not be, in our basic coverage—

These will be left to the field of private insurance companies. Just on that point, I think it is well for hon. members to remember that private industry — private enterprise — was responsible many years ago for the beginning of health insurance in all its many ramifications in the field of medical-surgical insurance, and in the field of income protection and so on. I have every confidence that, in those areas which will not be covered by our basic provisions, insurers and private companies through their agents will still find a way to provide service to the citizens of the province of Ontario and will take on the position which they took on so many years ago.

MR. OLIVER: Mr. Speaker, what does the hon. member mean when he says "in those areas that will not be covered by our insurance"?

MR. COWLING: I will be glad to answer that, Mr. Speaker. I mean the areas of income protection. If a person becomes ill or gets injured and is not covered by workmen's compensation and must be away from the job they lose income, and in many cases their salary is not continued—that is what I have referred to. That will

still be a large field for the private insurers, and a very important one.

All hon. members know that the cost is going to be tremendous. I noticed in that same letter that by 1960 we could be spending something in the neighbourhood of \$300 million; I am firmly convinced, Mr. Speaker, and predict, that probably in another 20 years we will have an organization under the Ontario Hospital Services Commission something of the nature and the size and the character of, say our Ontario Hydro, or our Workmen's Compensation Board.

When one stops to realize that this basic hospital coverage is going to be required by every one of the 5.5 million citizens of the province of Ontario, and that each one of these 5.5 million will be paying the monthly premium — the annual premium — one gets some idea of the magnitude of the problem, and the many forms — they may be popular forms — that will be required to service this much-needed protection.

In other words, I do not think many of us believe that the cost of collecting the premiums, for example, is going to be any easy problem. When you stop to think of the many people who are self-employed, and on the farms and in rural areas back in the bush, and what not, the problem of collecting premiums is going to be a big one. So it is very, very necessary that we get premium payments in to help complete the overhead and the cost of doing business, in very much the same way as we do in our own offices and on our farms.

Continuing with the letter dated January 24, 1957, signed by the hon. Prime Minister, he says:

The federal government's contribution to the proportion of Ontario's "shareable costs" would be about 48 per cent., but in terms of the cost of the whole plan that we propose it would be about 35 per cent.—

This points up the provincial responsibility and the absolute necessity of

care in administration if we are not to undermine the province's fiscal position; and I think hon. members are aware of the necessity of keeping down administrative costs.

We hear about the cost of the programme in Saskatchewan, and the fact that in many cases at the end of each year it is necessary to increase premiums. We also hear that they have had a problem in the province of British Columbia trying to keep premium payments in line; and know the same thing happens in Alberta. So far as the scheme in Great Britain is concerned, we know the cost of maintaining that service is tremendous. Therefore in our dealings and in our future consideration of this plan we must keep in mind the administration part of it and hold down on staff.

It is such an easy thing — as was actually said here today by one hon. member to the hon. Minister of Education (Mr. Dunlop): "Why do you not have more of this and more of that"—it is when an organization gets rolling along it seems very easy to add to the staff; and many people are possibly doing jobs that are not required. In private industry we just cannot stand that. Sometimes in government it does get out of hand; because I still maintain, and I have said this many times before, that private enterprise and private industry can do a better job of most things than can the government.

In another letter dated January 30, 1957, signed by the hon. Prime Minister and addressed to the Rt. hon. Mr. St. Laurent, he says this:

For Ontario, I am quite prepared to say that our commission will work without delay in every practicable way to obtain a utilization which is as wide as possible. In saying this I leave it to their good judgment and discretion—

That is the Rt. hon. Prime Minister, Mr. St. Laurent —

to determine when in whole or in part the plan should be made mandatory and how this very complicated administrative task will be achieved. The

objective of universal coverage is one the Ontario Hospital Association has long striven for, and I have no doubts about their ability to achieve in a sound, businesslike way this objective which is common to the association and to this government —

That leaves the matter wide open insofar as the compulsory portion of the health plan is concerned, and as a matter of fact, the federal government will be responsible for paying their share only in the case of each patient that the province authorizes. So that if anyone is interested in the compulsory aspect of the health plan it should be the province, because we stand to gain on every person whom we admit under the law and collect the federal portion from; so that it makes sense that, as quickly as possible — as fast as is administratively possible—we make the plan compulsory.

I am inclined to agree with the hon. Prime Minister that in the early stages the compulsion angle is one that is not too important. I think the important thing is to get the plan on the road, get the plan in operation; amendments can be made from time to time and will be made from time to time. We pass amendments in this House every year — dozens of them. When we say that the province of Ontario is going to have a health plan, the first health plan introduced does not necessarily have to be the one which we are finally going to accept, and the one which the citizens are finally going to use.

In discussing the matter last year I urged caution, and again I urge caution. I feel that in entering this great new welfare and health field for our citizens, in order to keep down the expenditures — and that is something we have to watch at all times — in order to keep expenditures at a reasonable level, the steps must be taken slowly, and we must know exactly in which direction we are going.

In another letter — just to finish on this correspondence, Mr. Speaker — this is one dated January 22nd, and it is addressed to the hon. Prime Minister

from the Rt. hon. Mr. St. Laurent, who says:

We are of the opinion that, provided the estimates of coverage given in your letter are in fact realized when the proposed scheme becomes effective, it could properly be considered as coming within the framework of the federal government's proposals to the provinces of January, 1956. We would, of course, feel that some assurance on this point would need to be incorporated into the agreement between our governments on this subject —

He goes on to say, and I quote:

As you are aware, the federal proposals state that the benefits of the programme are to be universally available to all residents of the province. In making this stipulation, the federal government realized, of course, that it would not be practicable to insist upon 100 per cent. coverage of every individual in the province. The experience of both Saskatchewan and British Columbia in the actual operation of public hospital insurance plans has demonstrated that, even where universal or almost universal coverage is required by law, it is extremely difficult in actual practice to achieve a coverage in excess of 95 per cent.

Then Rt. hon. Mr. St. Laurent goes on and makes some mention of tuberculosis and the mental health situation.

Just finishing, Mr. Speaker, on this correspondence, I would like to make it very clear that I was most pleased with the way the correspondence was handled; I think the federal government is really just as much interested in getting this national health plan into operation as we are in the province of Ontario.

MR. MacDONALD: No more and no less.

MR. COWLING: And I think they are prepared to move into some of these areas which are still not settled with the feeling of trust and co-operation. I was pleased to note in the paper this morning that meetings are going to be held right away between the hon. Prime Minister and the federal hon. Minister of National Health and Welfare in Ottawa; I think they are going to begin next week, so it looks as though the plan is going forward.

In that connection, there are two rather important phases which are not at the present being considered by the federal government, but which I feel are important areas of health coverage which should be eventually paid in part by the federal and provincial governments.

The first one has to do with home care. I think every hon. member of this House must realize that if we instituted a hospital plan today probably our hospital facilities in the province would be over-taxed. You know as well as I do that there is a line-up to get into most hospitals in most sections of our province. In many cases I know it is necessary to be a close friend of the mayor or somebody before a person can even get into these hospitals.

It is my privilege to serve on the board of directors of one of the city hospitals, so I know whereof I speak. Incidentally, it isn't necessary to know the mayor to get into that one. But we just do not have the hospital accommodation today, and I feel that very serious consideration should be given to the use of the house, of the home, for convalescing and for care of that type.

Very often a person can go to the hospital, have a serious operation, and then could be home during the convalescent period. But the reason why our citizens, many of the 3.5 million people who are insured in the province of Ontario today, remain in the hospital is because they are not paid if they go home. So very often hon. members will find that people stay around a week or

10 days, actually relaxing in the hospital, before they go home.

I think very serious consideration should be given to paying possibly reduced daily hospital benefit amounts when the persons are home, and that serious consideration should also be given to the use of practical nurses for home convalescent care. There is no abundance of registered nurses; one cannot expect that this plan or any other plan could pay and have a nurse to look after the person at his home, so let us make use of the very fine practical nurses for this phase of our work.

The other part to which I feel the federal government should give very serious consideration in our discussions is the assisting with the cost of administration. I realize that the administrative costs probably vary from province to province, and that may be one of the reasons why they do not want to move into that area too quickly. But at the same time—and I speak from experience—there is a great deal of administrative cost that must be paid on top of the actual operation of our health plan, of any health plan. Many times, the administrative costs may be as high as the actual operation of the plan itself. So let us give this very serious consideration, and in our discussions with the federal government let us bring it very forcibly to their attention.

The two ailments not covered so far in the proposals have to do with tuberculosis and mental health. I feel, and I know most hon. members will agree, that we have made some tremendous advances in the field of mental health in recent years. Mental health today is not one of those diseases where one gets pushed off into a back room and is segregated from other people and left there to work out one's salvation, as formerly.

Today it is considered a disease, the same as any other disease. A person may go to the hospital with a bad case of flu, pneumonia or anything else; that is in the same area as mental health, and as such be paid for under this proposed health plan.

It is not a very nice thing—perhaps some hon. members have experienced it in their families—to have someone who is taken away because he is mentally ill and must go into one of the institutions; it is something a person likes to tone down and keep quiet. It should not be that way; let us bring it out into the open like our other ailments, and let us do something about it—and we are doing something about it; I want that mentioned particularly.

Those are just some of the comments which have to do with the health plan. I know the hon. members will have further discussion of the problem when the committee on health meets, but I thought that while the subject was well to the fore I would like to make some mention of it.

Incidentally, we already have two outstanding hospitals which are engaged on a programme of home care: one is the Montefiore Hospital in New York City, and the other is the Reddy Memorial Hospital in Montreal. These two hospitals are operating a home-care programme with a great deal of success, and our advisers on the committee who have been studying this problem over the past two or three years are well aware of that fact.

Mr. Speaker, that seems to be enough about hospital insurance.

I always make it a point to talk a little about conservation and its importance to the province of Ontario, its importance to this great metropolitan area of Toronto. Hon. members will recall, of course, at our last session approving of a bill to amalgamate the conservation authorities in the metropolitan area of Toronto.

I notice by the papers that they have been selecting members for that metropolitan authority and that one of our own civil servants, a conservation expert, is proposed to be the temporary chairman of that metropolitan authority.

Then I remember — and perhaps hon. members will, too — asking the hon. Minister of Reform Institutions (Mr. Foote) — I have asked him the question

a couple of times — about the use of prisoners on conservation programmes, and I was very pleased to read in a recent issue of *Bush News* a nice little article, which I am going to read to you because it is good:

PRISONERS TO HELP FIGHT FOREST FIRES, DO REFORESTATION WORK

Use of inmates of Ontario reform institutions, in developing provincial parks and in forest fire protection work, was regarded last year as a successful experiment in prisoner rehabilitation, and is to be continued this year. Co-operative arrangements between The Department of Lands and Forests and The Department of Reform Institutions have been completed for the employment of inmates on parks, reforestation, and forest protection projects in many parts of the province.

That is a wonderful thing. I am glad to see that it is coming about, and would like to see more of it done in the future.

One other point which I know all hon. members are interested in, and I think it has been raised before, but it is something which the hon. members of the House should think about, and that is the use of the party name on the ballots. Very often when people go to vote, they see the name "Cowling" or they see the name "Elliott", "Letherby", "Oliver" or "MacDonald"; they do not know the party each represents.

MR. MACDONALD: You have the opposition.

MR. COWING: There would just be a few of those people, of course.

I think the ballot at election time should include the name of the party as well as the candidate. I cannot find one good reason why it should not list the name of the party each candidate represents. As far as I am personally concerned, I am proud of the fact that I am a Progressive Conservative, and I would like the voters to know that, if they do not already know.

So possibly at one of our many meetings this could be discussed by other parties in the House, as I am sure they must be as proud of their party as I am of mine.

Just one other point, Mr. Speaker, and that has to do with the federal financial assistance in our highways programme. It seems to me that the time has now come when the federal government should take a little more active part, particularly financially, in the operation of our highways, that is, the more important highways. I do not think we can be very proud of the fact that we do not to date, in this year 1957, have one transcontinental highway in this great Dominion of Canada. There are still parts of the Trans-Canada Highway to be completed, and I understand that only recently, if not last year, the federal government increased their portion of the cost to 90 per cent. on some of the bad pieces in place of the 50 per cent. they had been paying, for many years.

I feel that federal government participation in highways is important; it is important to our defence, it is important to our civil defence, it is important to the general welfare and the health and the good living of our citizens. The time has long since passed when the federal government should say that the roads and highways are strictly a provincial responsibility.

Across the line, we can admit very definitely that our neighbours to the south have us beaten in this respect. I would like to say that the Congress of the United States has recently passed a bill whereby they will contribute \$27 billion to a 13-year highway programme. They are showing some interest in the problem, and it is time our government did the same.

I do feel that if the federal government shows the same spirit of co-operation and understanding that they did in our talks on health insurance, probably the same success could be had in an all-out highway programme.

Those are some of the matters which I wanted to bring to the attention of the House, and on this busy Friday afternoon, with so many longing faces on the out-of-town hon. members, I am glad to conclude my speech today.

Mr. T. Pryde (Huron) moves the adjournment of the debate.

HON. DANA PORTER (Provincial Treasurer): Mr. Speaker, on Monday we shall proceed with the Throne debate and certain bills on the order paper.

Hon. Mr. Porter moves the adjournment of the House.

The House adjourned at 3.00 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, February 11, 1957

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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

MONDAY, FEBRUARY 11, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

Introduction of bills.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. Report of the statistical branch, Department of Agriculture, Ontario, for the year 1955.

2. Report of the Co-operative Loan Board of Ontario for the year ending December 31, 1956.

MR. SPEAKER: Before the orders of the day, I would like to welcome to the House this afternoon the pupils of Deer Park Public School, Toronto; Howard Public School, Toronto; and the John English Public School of Mimico.

We also have in the gallery this afternoon, this year's graduating class of the Western Ontario Agricultural School and Experimental Farm at Ridgetown; they are here to view the proceedings of the House.

HON. C. E. MAPLEDORAM (Minister of Lands and Forests): Mr. Speaker, I would like to draw the atten-

tion of the House to the death in Fort William of a well-known newspaper man, Mr. David Smith. Mr. Smith was in the newspaper business for over 70 years, and for 40 years has been general manager for the *Times Journal*.

I am sure Mr. Smith will be sadly missed by many people. He was an active member of the Canadian press, and was active right up to the time of his death. I am sure the people of Ontario will widely mourn his passing, and I would like to pay homage to him here today.

HON. W. J. DUNLOP (Minister of Education): Mr. Speaker, before the orders of the day, may I rise to a point of privilege. On page two of the *Globe and Mail* this morning, in a story recording the report of the president of the University of Toronto, there is a paragraph which states that the president took a stand diametrically opposed to my stand in the matter of the quarter system for university education.

I have a note from the president in which he says, despite newspaper and radio reports, he made no mention of me in his annual report, and had not anything of my policy in mind.

It is a fact that a year or more ago I made 3 suggestions to the heads of universities of Ontario, all of which were accepted, and they are being acted upon, but this quarter system was not one of them. There is a college in Ontario going ahead next session with the quarter system, but not on my

advice, rather on the contrary. I just wished to correct that.

Orders of the day.

THE RELIGIOUS INSTITUTIONS ACT

Hon. A. K. Roberts moves second reading of Bill No. 45, "An Act to amend The Religious Institutions Act."

He said: Mr. Speaker, in moving second reading of Bill No. 45, I would just like to point out that this is merely a change in name from the Church of England in Ontario to the Anglican Church of Canada, a name adopted by that church some time in the past, and this particular bill does nothing more than change the name.

Motion agreed to; second reading of the bill.

INTEREST OF CROWN IN LANDS PLEDGED FOR PURPOSES OF BAIL

Hon. Mr. Roberts moves second reading of Bill No. 51, "An Act to Protect the Interest of the Crown in Lands Pledged for Purposes of Bail."

He said: Mr. Speaker, in moving second reading of Bill No. 51, I would like to say a few words to the House in connection with the bill and the principle of the bill. Last May, an incident occurred here in the courts in the county of York which brought into acute focus the situation with respect to property bail. I refer to a narcotics charge which was then before the court in the earlier stages, going through to trial.

I would like to point out that this particular type of charge is a charge that originates usually from investigations by the RCMP on behalf of the federal department. The prosecution is usually arranged by the federal authorities naming their own prosecutor, as they did in this particular case. In the event of bail being

estreated, as it was in this case, it would be estreated to the Crown in Her Majesty's right in Canada.

In this case, the bail was fixed at \$50,000 and was property bail. One of the individuals who was accused did not turn up, and the question then of the sufficiency of the bail became of some import, and there were suggestions made in certain circles that the bail system in Ontario was lacking in some respects, to protect against possible loss in the event of a person out on bail not returning for trial.

In fact some rather tall and rather strong language was used and I thought it best to set up a committee quickly to study this matter. I asked the Deputy Attorney-General, the chief Crown attorney for the county of York, and the sheriff for the county of York—who was one of those who was drawing attention to the subject—to go to work at once to look into the situation, bring in an interim report as quickly as possible, and follow that with their final recommendations.

They did go to work, and they did a very good job; they made an interim report and later a final report. I think the House might be interested to know that the expression "professional bondsman" is bandied about sometimes with a certain amount of irresponsibility, because actually both at common law and under the criminal code it is illegal for anyone to go bondsman for an accused person and receive remuneration for such action. That is the law under the criminal code in Canada, and consequently professional bondsmen really would not exist, in law at any rate.

In the United States, there is a difference in certain jurisdictions. They do go in for that sort of thing. In fact, even insurance companies grant bonds of this sort, bail bonds, and they collect 5 per cent. of the amount of the bond up to a certain maximum premium. But we have nothing of that sort here in Canada, nor could we have it in Ontario unless the federal authorities saw fit to change the code.

Section 19 of the criminal code makes it a criminal offence with a penalty of up to two years' imprisonment for accepting consideration for going bond.

There was some question about the sufficiency of bonds, property bonds, speaking now more particularly with respect to real estate bonds accepted in the form of real estate, as a security. The practice has been to take a bond on real property with perhaps some variation in the methods used by different Crown attorneys. Some of them might go so far as to ascertain definitely for their own information whether the bondsman actually owned the property, and whether or not it was unencumbered.

But there has never been any authority for filing anything in the nature of a lien or a certificate of caution against the property in the event of the property being put up for bail. Theoretically, a bondsman could transfer the property the day after he went bondsman for a person.

It has been recommended, and this bill gives effect to the recommendations in certain cases, that is to say, in cases of minor import, where summary conviction only applies; small property bail can be given in those cases, it is at the discretion of the Crown attorney if he wants to go so far as to file a lien.

However, in the case where it is more serious and where an accused is charged and subjected to preliminary inquiry, a hearing, and is sent on for trial to a higher court, then in that type of case it becomes compulsory under this bill for the crown attorney to issue the certificate, file it with the sheriff, and it becomes effective then just the same as an execution to all intents and purposes in the hands of the sheriff.

There is special provision in the case of land titles procedure to get it on the record at the land titles office as well. Hon. members may ask how simple it would be to get this document off the title in the event of the accused appearing and there being no further need for that property to be encumbered in that way.

Well, the method is very simple; the Crown attorney merely has to issue a similar certificate, and is required to do so in the case of the recognizance being affected in that way, and the certificate without any extra charge or fee is placed on the record and authorizes the sheriff or the land titles master to remove from the record any record of such.

I think this answers the purpose, and will meet the situation in Ontario.

This committee to which I referred, in addition to getting information in Buffalo, New York and in Chicago, also communicated with practically all the Crown attorneys in the province of Ontario. I am very glad to be able to tell the House that outside of this one incident which I have mentioned, the situation with respect to bail appears to be in quite satisfactory order as far as the interest of the Crown, and the interest of the public, is concerned.

It may be of interest to note that the particular individual, who was the prime cause for the study I have mentioned, was recently apprehended, and consequently his appearance for trial is now assured.

MR. NIXON: Mr. Speaker, may I ask the hon. Minister if that would in any way relieve the original bondsmen? Has anybody any discretion in reviewing the bond case?

HON. MR. ROBERTS: Mr. Speaker, this is a prosecution under The Narcotics Act, and one originated by the federal authorities. It would be a matter for His Excellency the Governor-General, at the instance of the hon. Minister of Justice, to determine what should be done in such a case.

MR. J. WINTERMEYER (Waterloo North): Mr. Speaker, I would like to ask the hon. Attorney-General a question, but before I do, may I say it is not directed to the basic purposes of the Act as such, because I think hon. members all agree that this is an obvious need that has demonstrated itself.

What I would like to refer to is the fact that a good many people execute bonds not fully realizing the significance, the seriousness of what might happen with respect to their property. This Act is devised to make sure they will be precluded from transferring that property and avoiding the opportunity for the state to take over.

But it occurred to me, on examination of this statute, that it may be a good idea to include in all bonds an affidavit or declaration that the person who executes the surety understands fully what he is doing, and is subjecting his property to estreatment by the state if the accused does not stand trial, or at least disappears before the trial.

I would ask the hon. Attorney-General whether any consideration in committee was given to the fact that there may be, in some instances, a certain weakness of understanding on the part of the persons who go bail, in knowing exactly what they are undertaking.

HON. MR. ROBERTS: Mr. Speaker, I would be very glad to have this bill go to the committee on legal bills, and have the persons most familiar with the working of it, right there, and the whole matter could be discussed. I would be very glad to do that if the hon. member wishes it.

MR. WINTERMEYER: Yes, please.

Motion agreed to; second reading of the bill.

THE CHANGE OF NAME ACT

Hon. Mr. Roberts moves second reading of Bill No. 52, "An Act to amend The Change of Name Act."

He said: Mr. Speaker, in referring to this bill, this happens to be an attempt to really just fill in what has been pretty well assumed to be the situation throughout. This is the right of a woman to change her name in the event of a divorce or annulment. But under The Change of Name Act, as the situa-

tion is, at the present time, there is some question of whether, in the case of an annulment, there is the right, on the part of the woman concerned, to adopt her maiden name. This bill, if enacted, will make that beyond any question a right to her.

Motion agreed to; second reading of the bill.

THE CREDIT UNIONS ACT

Hon Mr. Roberts moves second reading of Bill No. 53, "An Act to amend The Credit Unions Act, 1953."

He said: Mr. Speaker, in speaking to the principle of this bill, the government has been interested in the credit union movement ever since its inception, and the great growth of this movement throughout the province is one which brings responsibilities with it.

One of those responsibilities is the proper care and custody of funds received by the unions. The majority of the unions belong to the Credit Union League, and there is some supervision through the league. They contribute payments of annual fees to the league and provide the league with funds to carry on the work for the benefit of the members generally.

However, about a year ago it was felt by the superintendent of insurance and myself that some further attention should be given to the auditing provisions of the Act, and the actions of the various unions in relation to auditing. At the present time, the Act provides for what is termed, I think, an advisory committee, for supervision by this advisory committee, and the auditing to the extent they are able to audit by the committee of the affairs of the union.

There are unions of very great size, and I have no doubt that most of the larger ones carry on their business as most large concerns do with great regard for auditing, but there are a great number of small unions with relatively small funds, to which the cost of a professional auditor to do an audit job would be of some concern.

I sat down and discussed this with the directors of the Credit Union League, and they came up later on with a proposal, and after further discussions, it was felt that a bill such as the one now before the House would be a move in the right direction.

It provides for examination of a credit union by any competent person authorized by the league, with full authority to examine the books and everything in regard to the affairs of such a union, and to make a report. If there is anything radically wrong, anything that is open to question, that report is to go to the superintendent of insurance, and he in turn has power to act for the protection of the union members and the public.

This is a move in the right direction, and I do not think hon. members can at the present time go so far as to say to the credit unions that they must have their books audited by duly authorized and accredited auditors, but in all cases this amendment will tend to give greater protection and is the proper thing to do at this time.

Motion agreed to; second reading of the bill.

THE DESERTED WIVES' AND CHILDREN'S MAINTENANCE ACT

Hon. Mr. Roberts moves second reading of Bill No. 54, "An Act to amend The Deserted Wives' and Children's Maintenance Act."

He said: Mr. Speaker, this amending Act is to do two things: one is to provide that the order for maintenance of the child will be widened somewhat, as appears in section 1 of the bill, and that the maximum sum that a father may be ordered to pay for the support of each child deserted by him shall not exceed a sum calculated at the rate of \$20 a week with or without costs.

Then, there is a second principle in the bill, and that is for the apprehension, really, of the defaulting parent under

certain circumstances. The persons in charge of this sort of welfare work do find at times that once there is real action taken to protect the wife and children under The Deserted Wives' and Children's Maintenance Act, there is a certain type of parent—and I hope very limited in number—who will, having got wind of that, endeavour to get out of the jurisdiction and get away from his responsibilities and leave the family stranded without any protecting order.

Section 2, as provided here by this bill, says where an information is laid, and the person before whom it is presented is satisfied that the husband or father, as the case may be, is about to quit the territorial jurisdiction in which he is residing, then the justice of the peace, with the written approval of the magistrate or the judge of the juvenile court, may issue a warrant for the arrest of the husband or father, and thus apprehend him before he gets away, in order that any order under this Act may be the better protected.

That is the substance of it, and those two points are the main points and principle involved in this bill.

Motion agreed to; second reading of the bill.

THE GENERAL SESSIONS ACT

Hon. Mr. Roberts moves second reading of Bill No. 55, "An Act to amend The General Sessions Act."

He said: Mr. Speaker, this also will go to the committee on legal bills. It is simply a bill to provide for days for hearing in the county of Simcoe at the general sessions there, to conform with the practice of business methods that they would like to have in that area, and I think is just procedural.

It also provides for the elimination, really, of the term "deputy" in "deputy judge," since there is no such individual any more in those courts, and "acting" is the term.

MR. NIXON: Mr. Speaker, may I ask my hon. friend why we should have to have special legislation for Simcoe county? Does not this apply to all other jurisdictions?

HON. MR. ROBERTS: It is an important county, and it has as its sheriff there a former Prime Minister of this province, and I am sure with all of those well known people in the area a request coming from the judge of the county, especially as he at the moment is president of the County Judges Association of Ontario, could scarcely meet with anything but acceptance.

Motion agreed to; second reading of the bill.

THE JUDGES' ORDERS ENFORCEMENT ACT

Hon. Mr. Roberts moves second reading of Bill No. 56, "An Act to amend The Judges' Orders Enforcement Act."

He said: Mr. Speaker, in moving the second reading of this bill, I would like to say that one of the three ways under the present section of appealing to the court of appeal from an order of a judge when sitting as *persona designata* is by leave of a judge of the Supreme Court. If the judge of the Supreme Court does not think the appeal should be allowed to go forward, he can stop it at that particular spot.

There was an appeal last year, or a little more than a year ago, in which the court of appeal held that it had no jurisdiction to hear an appeal from the order of a judge of the Supreme Court refusing leave to appeal. This bill will make the appeal from a judge, where he is sitting *persona designata*, direct to the court of appeal from his judgment without the necessity of another intervention such as I have mentioned, with the possibility of the matter coming to a standstill without the court of appeal having an opportunity to pass on it.

Subsection (2) of the present section, which states that the decision of the

court of appeal is final, is not re-enacted: the reason for that is that it is, in fact, without effect, as the Legislature has no power to restrict or add to the jurisdiction of the Supreme Court of Canada, which is now the only court to which a further appeal can go.

MR. J. WINTERMEYER (Waterloo North): Mr. Speaker, I would like to ask the hon. Attorney-General whether in view of this legislation he has any intention of introducing legislation that will permit of an appeal from persons other than judges who may be acting in supervisory capacities.

In effect, what we have done here is to permit the appeal of judges in instances where they are acting outside—and there is nothing technical in this explanation—but outside their normal capacities. Certainly we have a lot of people who exercise semi-judicial duties—commissioners and the like. Has the government any intention of making appeals available to an applicant?

HON. MR. ROBERTS: It may be sufficient to say at this time, "Sufficient unto the day is the evil thereof," but the question my hon. friend brings up is one that has been before the Canadian bar and committees of the bar, and it has been before my department and is receiving very careful and thorough study.

But I would say to my hon. friend that it may not hurt if he would take the trouble, himself, to examine all the various statutes in which appeals already are provided, and the methods of appeals, for many of the points which would be covered by such suggested general legislation. He may be surprised to find there is far more freedom of action for the type of lawyer who does the job of preparing his case and knowing exactly what the law is, than otherwise may be thought to exist.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I may say in regard to that point, a number of years ago, probably about 1945, very wide

provisions for appeals were introduced by way of various statutory enactments. That was to cure the arbitrary conditions which existed under the previous administration, where the rights of the then King's subjects—now the Queen's subjects—were adjudicated upon and passed upon without any appeal by boards—not only boards, but by individuals.

At that time I was provincial Treasurer, and there was no appeal in connection with rulings under The Succession Duties Act, no appeal in connection with assessments, and I would say to the hon. member for Waterloo North that it has all been reversed.

I would say that there may be cases which exist to this day in which there is too much finality in connection with the findings of boards and commissions, but my hon. friend knows that is one of the problems of administrative law—a very difficult problem to get around, if you are going to make progress. Whether hon. members like it or not, in this day and generation governments are of necessity in business, and therefore must have ways, which I hope are not too rough and ready, to take care of the situation, but it is, as I say, one of the problems of administrative law.

If my hon. friend can find ways and means of bettering that situation, bettering the protection of individuals, without taking away from the great mass of citizens the rights that necessarily come from a speedy disposition of these matters, we will be very glad to hear of them.

MR. WINTERMEYER: Mr. Speaker, the hon. Prime Minister has repeatedly said he is a Progressive Conservative, and I am sure he will appreciate in his comments he has recognized there have been difficulties in the past—

HON. MR. FROST: That is so.

MR. WINTERMEYER: — but we must constantly be on the lookout

for the protection of citizens and the improvement of their rights. But with permission I will introduce a bill that will improve the situation, and if the government will give me the opportunity, I certainly intend to produce a bill which may afford some opportunity for discussion in this House.

Motion agreed to; second reading of the bill.

THE LOAN AND TRUST CORPORATIONS ACT

Hon. Mr. Roberts moves second reading of Bill No. 57, "An Act to amend The Loan and Trust Corporations Act."

He said: Mr. Speaker, in speaking to the principle of this bill, I would point out that section 1 of the bill, the effect of the new subsection 4 (a) is to limit second mortgage investments by loan and trust corporations. At least 95 per cent. of all investments of that nature, investments where real estate is the security, must be in first mortgages or charges of that nature, leaving a small residue of up to 5 per cent. that could be available for other types of securities of less value.

Section 129 of this Act, subsection 2, is amended by striking out certain words. The effect of this is that, as the section at present stands, it would appear that a company of this type under The Loan and Trust Corporations Act—organized under that Act — could not use any funds whatever that may be collected in relation to its formation or its very preliminary needs, to do business, until after it got the authority of the department. The amendment here puts it in line with modern business practice, and permits it to pay for its organization and get itself in position to do business before it actually receives the authority under the Act to carry on; that is, business authorized by the Act.

Motion agreed to; second reading of the bill.

THE PROBATION ACT

Hon. Mr. Roberts moves second reading of Bill No. 58, "An Act to amend The Probation Act."

He said: The amendments suggested for this Act are of a minor nature.

Section 7 of the Act provides for the release on probation of persons charged with offences against Ontario statutes. Subsection 5 of section 7 provides that where there has been a previous conviction against the person charged, he may be released on probation by the consent of, or with the concurrence of, the Crown attorney. The effect of the repeal of subsection 5 will be to place the discretion in these cases entirely in the court, thus bringing the Act into line in that respect with the principles of the criminal code of Canada as recently enacted.

Motion agreed to; second reading of the bill.

THE REAL ESTATE AND BUSINESS BROKERS ACT

Hon. Mr. Roberts moves second reading of Bill No. 59, "An Act to amend The Real Estate and Business Brokers Act."

He said: Mr. Speaker, referring to this bill there are a number of points which I would like to bring to the attention of the House. First of all, under section 1 the term "official" is used in clause (b) of subsection 1, section 3 of the Act, and defines persons who may act on behalf of a partnership or a company trading in real estate, and who will be required to be registered as a broker in addition to the partnership or company which he represents.

In other words, both the partnership and the individual will have to be registered under this definition of "official" in the future.

Section 2: the change in clause (b) is to require both the official and the partnership or company to be registered.

Under the present clause only one or the other is required to be registered.

Clause (c) is not re-enacted as it is no longer necessary.

Section 3: this section as re-enacted will clearly set out the administrative practices of the registrar of real estate and business brokers; also, the time for renewal of registration is extended to one month in order to lessen congestion in connection with these and other renewals in The Department of Insurance.

Then, section 5 of the bill — section 40 of the Act—is re-enacted in order to make it clear that the representations must be made as an inducement to the party to purchase, sell or exchange a contract, and this section also gives the type of representations that are prohibited under the Act.

Section 6: while the present section prohibits at present a salesman or broker from inducing a party to procure a contract and enter into a contract with another principal, subsection (1) of the proposed section goes further and prohibits brokers and salesmen from inducing a party to procure a contract and enter into another contract either with the same or another principal.

There are also some amendments which are made for the purpose of clarity in some of these other sections.

The word "salesman" is deleted in section 8, because listing agreements are made with brokers and not with salesmen.

The provision of subsection 2 of section 8 is re-enacted in order to invalidate listing agreements that continue in force to a specified time, and thereafter continue until notice of cancellation is given by one party to the other. In other words, they come to an end at the time stated, and they do not remain open indefinitely.

That, Mr. Speaker, is the substance of this bill.

Motion agreed to; second reading of the bill.

THE PUBLIC HEALTH ACT

Hon. M. Phillips moves second reading of Bill No. 62, "An Act to amend The Public Health Act."

He said: Mr. Speaker, I know that all hon. members of this House would like to become more and more acquainted with our Public Health Act. May I say that it consists of 143 sections in all. Section No. 5 of the Act has 46 subsections, which give legislative authority to make regulations covering practically the entire field of public health. That is to say, it deals with all these measures that go to prevent disease. It creates, as well, good sanitary conditions in regard to frequent and effective cleansing of streets, yards and premises, whether public or private.

It also deals with the proper construction and maintenance of water and sewage systems, including private sewage systems such as the construction of septic tanks; and it is very important for people with septic tanks, who are living in close proximity, that there is no seepage over from one property to another. That has been one of the great problems that we have had to correct a good many times.

It prescribes the terms and conditions upon which a licence for fumigation or extermination of insects, vermin, etc., is granted in either private or public buildings. This is also a very important item, and we have today countless people who are applying for licences to fumigate, who are not qualified to do so. In the first place, they have to have the proper material for fumigation.

I am sure that all hon. members remember when DDT was produced. We thought it was the answer to the killing off of all flies, insects and vermin. But we soon found that about 5 per cent. of flies were immune, and that all the flies that followed in the heritage of those 5 per cent. were also immune. For that reason, DDT has practically passed out of the picture so far as flies and insects are concerned.

It is very important that we have men who are properly qualified to carry it

out, and have the proper equipment and solutions.

Then, we have a great many of these 46 subsections which were practical yesterday. It is necessary that they be amended to fit in with living conditions as we have them in this year 1957. The main objective, therefore, in bringing before this House these amendments is in order to bring up our Public Health Act to present-day living and demands.

In this bill No. 62, we have 6 amendments. Some of them are complementary and I would like to deal first with Nos. 1 and 6 of the bill itself. But, first of all, let me read you the two clauses under 5—that is, (e) and (f)—that we have to repeal. Clause (e) reads as follows:

The construction, repair, renewal, alteration and inspection of plumbing; the materials to be used in the construction and on the location of drainage pipes, traps and other works and appliances forming part of, or connected with, the plumbing in any building or upon any property or any highway, street, lane or public place; and in any structure or place whether permanent or temporary, constructed or used thereon or thereon.

Then, clause (f), which also has to be repealed:

The location, construction, repair, removal, alteration and inspection of sewers, drain pipes, manholes, gully traps, flush tanks and other works in or upon a public municipality or private property, forming part of, or connected with, any municipal sewerage system.

May I point out here that all these amendments, or practically all these amendments, are applicable to what we might call private property, public property or municipally-owned property.

So we have to repeal those two clauses, (e) and (f).

Last year, at the spring Legislature, hon. members will remember that we set up what was known as the Ontario Water Resources Commission, and I

want to congratulate Mr. Snider, the chairman of the commission, along with the other two members, as well as my own "director-consultant," Dr. A. D. Berry. I would almost call Dr. Berry an ex-director of sanitary engineering, but I will call him my director, and he really is our director-consultant at the moment. Dr. Berry is an internationally-known figure in the field of sanitation, and has made a terrific contribution in this field.

Mr. Snider along with Dr. Berry have certainly earned our congratulations in getting this programme well under way, which is a terrific problem to our municipalities today, and they are giving them a great deal of assistance.

After this legislation I expect the hon. Minister of Public Works (Mr. Griesinger), who ministers the affairs of the Ontario Water Resources Commission, and myself will be working together. The Department of Public Works and The Department of Health are now working in closest co-operation on this, because there are health hazards that might be corrected by medical scientists who are in there on a preventive scale.

It will be the commission's job to rehabilitate all plumbing systems, sewage disposal systems, and so on — in fact, practically all the items that I read from subsections (e) and (f) under section 5 of The Public Health Act.

Section 6: I am going from section 1 to section 6 because they are compatible — here we are repealing sections 101, 102 and 103, and we are also repealing sections 107, 108, 111 and 112.

There are two or three of those I would like very much to read to this House in order to explain fully this whole matter. Sections 101 to 105 inclusive — and this part deals with the installation of public water supply, and I am going to read just the more important parts—subsection 2 of section 101 says:

The department, upon the application for approval, may direct such changes be made in the source of supply of water or in the plant plan

submitted as it may deem necessary in the public interest. The department shall have the general supervision of all springs, wells, ponds, lakes, streams or rivers used as a source for public water supply or for agriculture, domestic or industrial purposes with reference to their purity together with the waters feeding the same, and shall examine them from time to time when the necessity for such examination arises and enquire what if any pollution exists and the cause thereof.

The department may inquire into and hear and determine any complaint made by or on behalf of a property entitled to the use of water that any industrial waste or any other polluting material of any kind whatsoever, which either by itself or in connection with other matter may corrupt or impair the quality of the water, or may render such water unfit for ordinary use, has been placed in or discharged into such water or place or been deposited upon the ice thereof or on the bank or shore thereof.

Mr. Speaker, in addition to these sections I have read, I do want the hon. members of this House to realize the problems that are implicated here. With regard to pollution we have, first, ordinary domestic sewage. It is not hard to deal with, providing there is not a preponderance of what we call the colon group, and in this group before chlorination we had typhoid germs. Of course, with chlorination that is practically a thing of the past.

Then, the next thing that comes into our sewage system is the industrial waste. Here we have been able to meet practically every condition whether it is a dye, or whether high acidity or high alkalidity, and can treat it with certain neutralizing materials and do away with it.

I think one of our most difficult things is down in Prince Edward county where they had a great deal of processing of fruit, peas, corn — all those vegetables.

Some little time ago Dr. Berry and I visited in the district, along with the local officer of health, and the whole

shore was covered with peas and other vegetables. The bathers there were taking exception to it, and I do not blame them. But neither the United States nor Canada has found a method yet of keeping an overflow of these things from going into their outlet into the lake and there being washed ashore.

This does not cause any disease, they are not what I would call a health hazard, but they are a public nuisance. Dr. Berry along with his colleagues, the universities of Canada and also those of the United States, are doing their very best to find the answer to this problem.

There is one other important thing in our section 103:

No garbage, excreta, manure, vegetable or animal matter or filth shall be discharged into or be discharged in any of the lakes, rivers, streams or other waters in Ontario.

I just wonder what hon. members are thinking about today? You know that has been done ever since the beginning of time. What our Ontario Water Resources Commission is going to try to do, and they are going to have to surmount a great number of difficulties, is to carry out that section 103 because it definitely states that no raw sewage of any kind or nature can be placed in our streams or lakes.

MR. T. D. THOMAS: Mr. Speaker, I wonder if the hon. Minister would allow a question at this time? The question of enforcement of the regulations, would that be left to the Ontario Water Resources Commission or passed on to the local municipal government?

HON. MR. PHILLIPS: If you wait just a moment, I am going to answer that in section 109. Probably primarily it is a responsibility of the municipality, then it goes up to be the responsibility of the Ontario Water Resources Commission, which works with the municipality in order to implement a proper system.

Do not think there are just 3 or 4 of these in our province, there are dozens of them, and in every province in Canada and every state in the United States. We are all meeting the same problem together, and I think probably one of the great causes of this is our increase in population.

There were a great number of primary and secondary plants built in towns of 5,000 and 10,000 people which were ample for that number of people, but the towns did not grow by 200, they jumped to 10,000, 12,000, 15,000 people, and before they knew it their plants were overloaded. We in The Department of Health then asked them to expand their services in order to take in the number of people.

It is going to take men as wise as Solomon to project their thoughts into the future and to foretell what the population of our towns is going to be 25 or 50 years from now.

What I have been reading so far has had to do with water supply, and when we are dealing with sewage it meant that that was causing pollution or that it was impossible for the municipality to get proper water supply over that area.

Sections 106, 107 and 108 outline that sewage system. All those sections are going to be repealed along with sections 111 and 112, and the only one that is omitted is section 109. All these sections are being repealed in order that the people in the days of tomorrow in our urban municipalities of 2,500 people and over—I am not forgetting those under 2,500 but we do want to have 2,500 and over as a yardstick to go by, but that does not stop any town below 2,500 from applying to our Ontario Water Resources Commission and they will get the same courtesy and fairness as all the others.

Section 109 I would like to read because it is different from all the others, and it states this, and it has to do with the issuance of mandatory orders:

Where the department reports in writing that it is of the opinion that

it is necessary in the interest of the public health that a waterworks system or an adequate water purification or a sewer or a sewage system or an adequate sewage treatment plant should be established or that any existing waterworks system, water purification plant, sewer or sewage system or sewage treatment plant should be improved, expanded, enlarged, altered, renewed or replaced, it shall not be necessary to obtain the assent of the electors to any by-law for incurring a debt for any such purpose.

Where the department has reported as provided by subsection (1) the council of the municipality shall forthwith pass all necessary by-laws for the establishment of the works reported on and the corporation of the municipality shall immediately commence the work and carry it to completion without unnecessary delay.

The by-law shall not be finally passed until the approval of the department has been obtained; work to be done as here and before provided shall recite such approval.

Now the reason why it was left with The Department of Health is that we feel the Ontario Water Resources Commission can give all the necessary information which any municipality may need regarding the construction of either a water or a sewage system. But when we come to something that may create a health hazard, that should be left with The Department of Health. Therefore, this means simply that what is left with our department is the right to issue a mandatory order on any municipality where there is a health hazard, and give them till a certain date to proceed with their construction programme either under the Ontario Water Resources Commission or on their own, as they see fit.

That takes in sections 101 and 106.

MR. R. WHICHER (Bruce): Mr. Speaker, did I understand the hon. Minister to say that there would not

have to be a vote in order to get certain monies to go ahead with a sewage or water system?

HON. MR. PHILLIPS: Well, this is permissive legislation. A council can go ahead and order without a vote but they may have a vote too, it is up to them. I believe that we should keep as many things at the local level in the hands of the municipal council as possible, because after all they are elected by the people the same as hon. members are. It simply means that they do not have to have a vote, it is up to them, except, of course, when we issue a mandatory order.

MR. R. ROBSON (Hastings East): Mr. Speaker, may I ask the hon. Minister, suppose they have to issue debentures for the construction of sewers or something of that nature and they go to the municipal board: the municipal board might demand a vote from the people, might they not?

HON. MR. PHILLIPS: That is what I say, there is nothing mandatory in that section, the council can have a vote of the people, certainly.

But I want to point out for instance there was a hospital built two or three years ago where the people voted 5 to 1 in favour of having it built, but they could raise only about 25 per cent. of the money. Today the whole situation has changed and the hospital is being built because a great number of people came into the area and solved the difficulty.

MR. ROBSON: But is it not possible that the municipal board, before they would allow them to issue debentures, might demand a vote?

HON. MR. PHILLIPS: Certainly it is, that is what I say, there is nothing mandatory about this. They can demand a vote, that is all right, they could make it mandatory.

MR. WHICHER: Mr. Speaker, did I understand the hon. Minister to say

that he could make it mandatory and demand that the people put in a sewage system, if he wished?

HON. MR. PHILLIPS: If it were creating a health hazard, that is the crux of the whole thing. We are not issuing mandatory orders every day, nor have we been.

MR. WHICHER: And supposing it created a health hazard and they simply did not have the money, what would be done then?

HON. MR. PHILLIPS: I wonder if the hon. member could ask the Ontario Water Resources Commission that?

MR. WHICHER: I would like to ask the hon. Prime Minister that.

HON. L. M. FROST (Prime Minister): Where there is no money, it is quite easy to get.

MR. WHICHER: And it is quite easy to give an order, too.

HON. MR. PHILLIPS: Remember, we are not issuing orders every day, either.

MR. WHICHER: I know.

HON. MR. PHILLIPS: I realize what it is to be "hard up" but I also realize the money can be obtained if necessary.

MR. NIXON: A lot of the hon. Minister's orders have been disregarded, and nothing much done about it.

HON. MR. FROST: That is right.

MR. WHICHER: Then what is the use of ordering?

HON. MR. PHILLIPS: As far as I know, in the annals of our history, there was one order where the court order was carried out and they were fined \$100 a day, some 20 or 30 years ago; that is the top fine. It mounted up to \$75,000 or

so, and the government of the day forgave them or whatever one likes to call it.

HON. MR. FROST: Mr. Speaker, I would be very glad to answer that question and point out that of course our mandatory provision has been of very little effect. It has been there for years but it has been ineffective, and that is one of the reasons for the creation of the Ontario Water Resources Commission.

There is this background to it. First of all, taking perhaps the most recent document in connection with the matter, that is the submission of the Ontario Mayors and Reeves Association. That association accepts without any question the matter of water and sewage being a municipal matter. There is no argument on that point, if anything is municipal then certainly water and sewage is.

The second point is that we have been faced, as hon. members opposite know, with a virtual ultimatum from the federal government, innating from international sources making it necessary to clean up the situation in Ontario. Further, we are bordering on 8 American states and in some cases we have objection to what some of those American states are doing in connection with pollution of the waters of the Great Lakes. Of course they also have very serious complaints as far as we are concerned.

I would suggest to the hon. member for Bruce that he read the correspondence between the Rt. hon. Mr. St. Laurent and myself on that subject, which has been tabled in this House. I pointed out that that was one of the problems of growth. He pointed out in the last letter of the correspondence, which has been tabled, that he felt the matter of financing this, as far as the municipalities were concerned, was quite a simple matter. It would be done on a use basis, that is, the users would pay for it in the same way that they pay, for instance, for hydro-electric power at the present time.

I agree with the hon. member that it cannot be done that simply. But what

we have done is this, we have reinforced the mandatory provision in this way. First of all, if a municipality wants to do the job themselves under a mandatory order, they can. We have had recently one municipality here in Ontario that has been in a difficult position due to rapid growth. That particular municipality is desirous of doing the job itself, and that is perfectly all right.

That is true of metropolitan Toronto, which is going ahead in a very large way with correcting the sewage problem of its area, but of course it takes time, considerable time. However, they are making a very practical effort to meet the problem, and the International Joint Commission, the Waterways Commission of the United States, from whom we have received protest, mainly through the federal government, and one of these states, notably the state of Michigan, these states and authorities are satisfied that not only substantial progress, but progress that is calculated to end this matter is under way.

The second point is that if a municipality is not desirous or is unable to do it themselves, then that municipality may borrow the money from the Ontario Municipal Improvement Corporation. I believe in the month of January over \$8 million in loans was approved by that corporation, and there will be more in connection with that matter at this session of the Legislature. I think the ceiling of \$50 million which we placed in the fund is rapidly disappearing, and with "tight" money the demands are increasing. That is a subject matter which will, as I say, be dealt with in a more objective way later on in the session. It is a very important matter.

MR. WHICHER: Mr. Speaker, is that borrowed directly from the Water Resources Commission?

HON. MR. FROST: No, that is quite separate from the Water Resources Commission; it is the Ontario Municipal Improvement Corporation,

which was commenced some 4 or 5 years ago. The demands on that corporation are getting to be very, very heavy because of the tight money policy to which all governments and all individuals are now subjected.

The third method of course is through the Ontario Water Resources Commission itself, which is empowered to go into a municipality and construct the necessary work and provide for payment on a use basis. That is a new conception. It is not a simple matter to do, but it is a new conception which was introduced into this House last year.

The commission itself was appointed in May, 1956, just 9 months ago, and that body is organized to do that type of work which is, of course, a tremendous task.

However, I think the commission has obtained the services of the very best man in Ontario to be general manager of the commission. He is Dr. Berry, who is an engineer of great experience and ability.

I will not at this time go into the work of the commission, perhaps that can be discussed under a later item. But I would like to point out that it introduced something which I do not think applies in any other jurisdiction in America. As a matter of fact, Governor Williams of Michigan and some of his very fine people visited us here last spring after the end of the session, and since that time our Water Resources Commission has gone over to Michigan and discussed matters with them. They have nothing in their system that approaches the plan, the authorized plan of the Water Resources Commission to go into a municipality — of course after agreement with the municipality — and do the work there themselves.

We have thus the mandatory provision to which the hon. Minister has been referring, and which has been on our statute books for a long time, but has been ineffective. That has been reinforced in this way: first, by the intent of the municipalities themselves. We have presently very large sewage works

under way in the province of Ontario, by all odds the greatest in our history, done very largely by the municipalities themselves. We have added to it, which is directly in answer to the hon. member, the provision under the Ontario Municipal Improvement Corporation to see that the lack of funds or the difficulty of municipalities in obtaining funds is taken care of if they desire that plan.

The third is the very far-reaching plan of the Water Resources Commission to do the work itself, on a basis of amortization over a long period of years. We have discussed that with the commission, talking in the first instance of a 30-year plan, which we felt could be extended. I think it was extended to 30 years and consideration is being given to an extension of time beyond that period.

Mr. Speaker, I do not think that any jurisdiction in America has gone so far to meet the situation with which our municipalities are faced, in what is admittedly purely a municipal problem.

MR. WHICHER: Is there a definite rate of interest?

HON. MR. FROST: As the hon. member for Bruce knows, it is very difficult to set a definite rate as interest rates fluctuate. We did borrow money in this province only two years ago, at around 3 per cent., and are up to 5 per cent. now, and there is no certainty that it may not go higher. The requests and requirements of municipalities, when money was cheaper and more available, were not nearly as great as they are at the present time, where, in the month of January, demands on the Ontario Municipal Improvement Corporation were of the order of \$8 million or \$9 million, which of course is a tremendous sum of money, particularly when you consider that is in a 30-day period.

MR. C. E. JANES (Lambton): Mr. Speaker, may I ask a question? I may be out of order in discussing sewage disposal more than water, but I understand the Water Resources Commission

have complete control of the water in Ontario. Is that correct?

HON. MR. FROST: Well, I think that might be a broad statement.

MR. JANES: It may be a little broad, but here is the question — where a town, city or village gets permission from the Water Resources Commission to go into an area and get water, is there any protection for that rural area if they dry up those wells and take away the water? It has happened in many instances, and I had a committee waiting on me just yesterday who are facing that problem and wondering what is ahead of them if this urban municipality goes out and pumps their wells dry, in which case their territory will simply turn into nothing more than a desert.

Is there any protection for that municipality?

HON. MR. PHILLIPS: I know a little bit about the study which our Water Resources Commission is making, and I know they have come to the conclusion, first of all, that the supply of water in these wells and streams is getting less and less each year. Take for instance larger streams like the Grand River. I stood at 5 different points and I did not know which way the stream was flowing.

Now remember that is due to the fact that years ago our forefathers took off all the bush; they did that for one reason — to grow food. Our Water Resources Commission has come to the conclusion that it is impossible in a short time to reforest along all our streams. But probably it would not be impossible to reforest around the source of the streams, and science has pretty well proven that that is where our reforestation should start.

Our water level is low; our streams which were flowing in July and August a few years ago are trickling streams today, and that is another thing which is creating a great problem. If the hon. members think that sewage has been discussed enough for this afternoon, I will go on to the next bill.

MR. WHICHER: Mr. Speaker, I would like to make this observation about sewage: we have often been called "federal Liberals" over here. But I would like to say, after listening to the hon. Prime Minister, that the Rt. hon. Mr. St. Laurent had written to him about the sewage problems in Ontario, I would say this to Ottawa: if they are going to insist that the municipalities of Ontario put sewage disposal plants in all small areas of Ontario, then either the federal government or the Water Resources Commission ought to get some money, because the municipalities do not have it.

HON. MR. PHILLIPS: Which one of the two governments do you think collects the most per capita?

HON. MR. FROST: That is why I wanted some of that \$400 million surplus at Ottawa, to give to our municipalities.

MR. WHICHER: We will talk about the \$400 million surplus tomorrow, and also about the \$12.7 million the Ontario government received on the liquor profits which they did not expect.

HON. MR. PHILLIPS: Mr. Speaker, do not forget the federal government gets their share out of that, too. The federal government, if they have not any responsibility any place else—which I think they have—they have a very definite responsibility in our international boundary waters, and they will not accept any responsibility there.

MR. P. MANLEY (Stormont): Mr. Speaker, the hon. member for Lambton East asked a question of the hon. Minister of Health.

HON. MR. PHILLIPS: I thought I answered it.

MR. MANLEY: I think there are some hon. members who would be interested in an answer to that question, and I do not think it has been answered.

HON. MR. FROST: Mr. Speaker, may I tell my hon. friend from Lambton East that, of course, the matter of lowering the water tables in the community is one of the problems why we created the Water Resources Commission. As he knows, we have been conducting studies through the Mines Department for some years past. I think for the first time in history information was gained on that very important point.

The city of London, for instance, has drilled a lot of deep wells down there with the result that the water table in all the Middlesex area was lowered, and that was one of the causes of the investigation started by The Department of Mines some years ago.

I would say to my hon. friend that it appears that the actual cure for that, if there is going to be the growth in the industries of Western Ontario, is to supplement the water supply from elsewhere, and that was the purpose of the investigations and work that is presently under way regarding the bringing of water from Lake Erie and Lake Huron to meet that situation.

MR. JANES: Mr. Speaker, my understanding is that this municipality has been given permission to go into this area and take the water away; there is no creek—merely a few flowing wells. I thought the Water Resources Commission would investigate first before doing anything; the rural people are very fearful about what the results may be.

HON. MR. PHILLIPS: I think the answer which has been given by the hon. Prime Minister—and I dealt with the causes, and I dealt with the solution—

HON. MR. FROST: Of course, there is a great deal of interest in this subject, and I would suggest when the committee on government commissions meets that some of the questions might be asked directly of Dr. Berry, and of Mr. Snider, the chairman of that commission. There are very many problems where, at the present time, the actual

answer is unknown. It will depend on the particular problem to be met, but it is very apparent that the problem in this province is going to be a very great one indeed.

MR. WHICHER: It is all very well to say that, but we have so many commissions that the committee on government commissions does not get a chance to ask that.

HON. MR. FROST: We will see that the hon. members have lots of time this year.

HON. MR. PHILLIPS: We will see that they have lots of time on the health committee.

HON. MR. DUNBAR: We will be waiting for the hon. member tomorrow with that speech.

MR. WHICHER: Who writes the hon. Provincial Secretary's?

HON. MR. PHILLIPS: Mr. Speaker, I never knew it would be so difficult to get away from this question of sewage. I would like to by-pass subsection 2 of 1, and deal with 2, 3 and 4, because subsection 2 is companionable with section 5.

Section 2, subsection 3 of section 33 of The Public Health Act: up until this time in municipalities, whether urban or city, they only have one medical officer of health. They may hire as many part-time medical doctors as they wish, but this provides that the councils of municipalities having a population of 100,000 or over may appoint an assistant, or more than one assistant, medical officer of health, who shall act under the direction of the medical officer of health and, while so acting, shall have all the powers and perform the same duties as the medical officer of health. I think that is very plain.

No. 4 deals with section 34 of The Public Health Act, and is amended by adding thereto the following subsection,

and this is simply a new subsection added, known as subsection 7(a):

Notwithstanding any other Act, where a municipality has established or establishes a health unit under subsection 1, or two or more municipalities have established or establish a health unit under subsection 2, the municipality or municipalities, as the case may be, shall be deemed to have had authority to establish such health unit and have all such powers as may be necessary to carry out the by-law or agreement providing therefor, and without limiting the generality of the foregoing, such municipality or municipalities may incur continuing obligations and make provision for the discharge thereof and may contribute money and expend money for carrying out the provisions of this Act and the regulations with respect to health units.

Mr. Speaker, may I just clarify that in a few words by saying this: up until the present time it was only lawful for us, really, to set up health units on a county basis. This gives us the legal right to set up a health unit which has any group of municipalities, whether those municipalities are within one county or within two or three or even more counties; that is, any group of townships may join together and form a health unit, and it will be perfectly legal.

The only thing that we are very careful about is this: We feel that no group of municipalities which have not a population of at least 25,000 can afford to carry on a health unit with the highest efficiency possible. We can take 50,000 people, perhaps 75,000 people, but we feel if we get beyond that we run into difficulties in administration.

So I would recommend — and as a matter of fact, our policy has been — that we try to have at least 25,000 people and not more than 75,000. It is working out very, very well.

The next section is called section 4 on the amendment, but it does amend subsection 2 of section 94 of The Public Health Act.

Here we are providing authority for any municipality to enter a contract with any dentist or any doctor to carry out dental or health services. We have had dental care in our schools for some little time. This government brought in legislation 7 or 8 years ago. In the urban areas, the provincial government pays 20 per cent. of the cost of dental care, if the municipality has over 5,000 people. If they have under 5,000, they get 30 per cent. of the cost.

Although we have plenty of grants towards public health and public health doctors, as you know at the moment we have no medical care. When I say "medical care"—I may say to the hon. members of this House that my department is not The Department of Health in the true sense of the word; it is the Department of Public Health, as it were.

We have health services in all our schools across Ontario, and I am very happy to say that most municipalities have entered into agreement with their local dentists and are having their children's teeth filled or taken care of when necessary.

Then we come to the last thing. This involves—

MR. A. WREN (Kenora): Mr. Speaker, might I ask the hon. Minister a question on section 4 of this amendment? The explanatory notes read that it permits a municipality to enter into an agreement with another municipality for health services for school pupils who reside in the one municipality, but who attend school in another municipality. What provisions are made in respect to the territorial distance where a large portion of the district is unorganized?

HON. MR. PHILLIPS: That is very simple, Mr. Speaker. We have the municipal government, and in health units we pay the municipal share in the unorganized district. If they enter into dental care, we share our proportion of that.

Does that answer the hon. member's question? I ask because I would rather not have some other hon. member rise

and tell me that I have not answered another hon. member's question.

Let us come to the last regulation. This deals with mattresses and all upholstered furniture. May I read this:

Amendment No. 5 of The Public Health Act is amended by adding thereto section 98 of The Public Health Act, and subsection 2 of amendment No. 1 gives authority to set up regulations under No. 5. The medical officer of health, or any inspector, or other person in the employ of a local board, or any member of a local board, or an officer of the department, may, at all reasonable times, inspect the premises where upholstering or stuffed articles are constructed, manufactured, altered, renovated, repaired, renewed, covered or recovered.

Clause (b): The premises where materials for construction, manufacture, altering, renovation, repair, covering or recovering of such articles are processed.

Clause (c): The premises where such articles are offered for sale.

Clause (d): Upholstered or stuffed articles affixed with labels purporting to comply with the regulations.

And for that purpose, the inspector:

may seize, detain, or obtain, any upholstered or stuffed article and remove a part therefrom; may prohibit the sale of any such article where the label contravenes the regulations; and may affect an off-sale label.

Mr. Speaker, may I say to the hon. members of this House, in closing my remarks on the amendments to The Public Health Act, that our director of industrial hygiene, Dr. Cunningham, has told me on many occasions in the last year that his sanitary inspectors, the medical officer of health, and all the public health personnel who are trying to carry out the legislation and regulations of this great Act—and it is one of the greatest Acts we have, be-

cause it concerns very directly the future health of our people, if not the immediate health—that he is finding many manufacturers who have so great a competition that they are using cheaper materials for the covering of mattresses and of upholstered materials.

In the materials needed for the fill they are using a lower quality than that we prescribe in our regulations. He may find that they are not properly disinfected, fumigated, or sterilized before they are put in.

That is why I am asking this House to endorse this, in order that The Department of Health, under the dictation of industrial hygiene, is able to give to the people of this province and outside of this province the article which is found written on the label.

This Act will come into force on the date it receives Royal assent, and may be cited as The Public Health Amendment Act, 1957.

In spite of the fact, Mr. Speaker, that I have given a rather detailed account of this on account of its importance. I would ask that this House give me permission to refer it to the committee on health.

MR. A. GROSSMAN (St. Andrew): I was rather puzzled, Mr. Speaker, because while I appreciate the fact that, in our complex society, it is necessary to have thousands upon thousands of statutes in the regulations and short form clause numbers and so on, in reading clause 1, subsection 2, and then reading the clauses and the sections substituted therefor, one finds clauses zg, zgg, zggg, zgggg and clause zggggg.

Mr. Speaker: I wonder — I am just a little puzzled as to why the department did not feel that, in the interest of efficiency — because, obviously efficiency is necessary with so many statutes and amendments—why could not it have been “zg(1)”, “zg” if zg is necessary, “zg(2)” and “zg(3)” and so on? I can visualize, Mr. Speaker, a conversation over the telephone between, perhaps,

a constituent, or even between the members of the department, discussing a matter in connection therewith, and you will have one saying: “I think you will find under clause zggg, we are permitted to do so and so,” and the reply being given, “I think you are wrong. It is clause zggggg”, and the reply coming back, “Well, now, how many ‘g’s’ were you referring to?” And, of course, this lends itself to a great deal of clerical misunderstanding, because if a stenographer drops a “g”, we are going to be in a lot of trouble.

I was just wondering why the hon. Minister, or his department, did not consider using “zg(1)” and “zg(2)” and so on as necessary?

MR. MacDONALD: Which one of them covers the stuffing of olives?

HON. MR. PHILLIPS: I think the hon. member has asked a very good question. I think we should leave it at that.

MR. T. PRYDE (Huron): I would like to say to the hon. member for St. Andrew that he is very lucky that they were designated by the letter “g”, because if it had been “r”, I am sure that people of my own race would have had a very great deal more difficulty.

HON. MR. FROST: Before the motion is put, I would like to refer hon. members to the correspondence relating to the problem of pollution of international waters, of which I have sent copies to the hon. member for Bruce (Mr. Whicher) and the hon. member for York South (Mr. MacDonald).

This correspondence was tabled previously, last session I think, but I think it is very worthy of consideration, particularly at this time.

The correspondence commenced on November 16, 1954, and it concluded with the letter of March 2, 1956. The letters are between Rt. hon. Mr. St. Laurent and myself as the heads of the respective governments, and they will give the hon. members of this House a

very clear idea of the pressure under which the province of Ontario has been placed through the usual diplomatic channels.

I can say that it is quite evident from this correspondence that this matter has been treated with the utmost seriousness on an international level. I would say to the hon. member who has served notice that he is going to make a speech tomorrow—

MR. WHICHER: Only if the hon. Prime Minister lets me.

HON. MR. FROST: I want you to; it is a very great pleasure, and I shall certainly be in my seat. However, I would point out that I have placed in these letters all the persuasiveness and eloquence at my command—such poor faculties as I have—pointing out the difficult position of the province of Ontario in this regard. In conclusion, the cupboard seemed to be pretty bare, at least the shaking of the tree that I endeavoured to indulge in did not have very much effect. In the letter of March 7, 1956, the Rt. hon. Mr. St. Laurent said this, and this is the last letter in this series:

I do not know enough about the substance of this problem, not the technical difficulties, to make much comment on it, except to recognize here is a field where one can see serious problems can grow. Nevertheless, since you have stressed the financial aspect of this, I would venture a comment or two on that since undoubtedly it troubles you in connection with your relations with us.

I would think that the ultimate financing of both water and sewage requirements could and probably should take the form of charges for water which reflect the cost of bringing it to the consumer in a proper condition and the costs of taking it away and disposing of it in the sort of condition in which it can be properly disposed.

From what I have been told, there does not appear to be any serious objection on any hand to paying the proper cost on a unit basis for handling water in this way. If this were done, it would seem to me it would strike the average person as a very reasonable and sensible way of paying for the services which governments or municipalities or public utilities must provide in that field.

In the second situation which you describe, and which is spelled out in greater detail on the memorandum, undoubtedly there must be a great deal of financing to be done in advance of the final payment for the water service. This would seem to be an excellent case for a truly long-term borrowing as these works will surely be useful over a great period of years.

That is the sum and substance of it. I point out in these letters that this old province is earning 50 per cent. of the federal revenues, very largely coming from the industrial development of the province, and we needed at least \$100 million more to keep the wheels turning, that is, from those sources of taxation. That is as far as I was able to succeed, and I just commend the reading of this correspondence to you.

MR. WHICHER: I would like the hon. Prime Minister to read the letter of March 24 from the Rt. hon. Mr. St. Laurent, in which he says this:

But the pollution with which we are here concerned is confined to a small number of places and can be corrected by the expenditures of sums which are relatively small in provincial terms.

Owen Sound does not care anything about the Great Lakes.

HON. MR. FROST: Is Wiarton one of the places —

MR. WHICHER: Nothing to do with the Great Lakes.

HON. MR. FROST: Owen Sound, Sarnia, Windsor, Goderich and places like that, are all concerned.

MR. T. D. THOMAS: Ottawa?

HON. MR. FROST: And Ottawa.

MR. T. D. THOMAS: They have no sewage disposal plant.

HON. MR. FROST: That is not of international concern, but I would not want it to cause trouble between the two old historic provinces of Ontario and Quebec. Unfortunately, the sewage comes out almost under the Rt. hon. Prime Minister's house, and that is not very desirable for that expensive building.

Motion agreed to; second reading of the bill.

ADDRESS IN REPLY TO SPEECH FROM THE THRONE

MR. T. PRYDE (Huron): Mr. Speaker, I have pleasure in following the usual custom in the throne speech debate of offering congratulations to the mover and seconder of the motion. It is done, in this instance, very sincerely. The veteran member for Port Arthur (Mr. Wardrope) excelled himself with his masterly address, and the newest member, the hon. member for York West (Mr. Rowntree) displayed a keen grasp of the issues with which this Legislature has to deal.

Without taking up undue time, I feel that I cannot let the occasion pass without reference to the untimely deaths of two of our former colleagues, first, the passing of Elmer Brandon, with whom I was on intimate terms, and secondly, of Tom Patrick, who represented the riding adjoining my own, Middlesex North. The hon. Prime Minister (Mr. Frost) paid fitting tribute to them earlier. I will not endeavour to add anything further to what was said at that time.

The theme of my remarks may not vary greatly from those expressed on other similar occasions. I am heartened, however, by what I read in a newspaper over the week-end. A well-known news-

paper columnist was taken to task by another well-known television commentator because of some criticism in his column regarding the sameness in the television programme from day to day.

Here is the answer the commentator shot back: "Check back over your own files for the last 10 years, and you will find you have been voicing the same complaint in precisely the same language without even changing a comma." Upon reading that I get a little more confidence, so to get on with my subject—selling Huron county.

My first impulse was to have a map of the province placed on the desk of the hon. members, to let each and every one know where Huron is situated, and its relation to the rest of the province.

If you consult a map of the province, you will note that a point between Goderich and Grand Bend is about equal distance from Owen Sound and Windsor, the extremes in what is known as western Ontario. London is often referred to as the geographical centre of western Ontario, and it is pretty close to that in many ways. Lake Huron is only 45 miles north of London, and in these days of swift travel any motorist will traverse the distance in one hour. I am not stretching my imagination very much when I claim that we are very nearly in the centre of western Ontario.

Why then is it that we are regarded as off the beaten track? I do not know, but that is my object in returning to the subject so often, so long as I remain the member for that riding I will continue to repeat the story.

It is admitted that this country is very diversified in climate, natural resources and opportunities. In our discussions with the government of Canada it is freely admitted that we have the "haves" and the "have nots", and that the opportunity of maintaining what we call a "Canadian standard of living" is not easy in some places in comparison to others.

It is admitted that, in devising a formula to equalize opportunity, there must be a system of taking from one

and giving to the other. Similarly in the province, in the matter of government grants and subsidies, this difficulty is also recognized. For instance, in the matter of school grants, a small rural school section gets a proportionately higher grant than does a large city.

We have what are known as "high income areas" and "low income areas", and it is better when the difference between these two groups is narrow and the average high.

At the present time as a nation we are prosperous; industrial production is at its peak, wages and other incomes are at an all time high, and people generally are enjoying a good standard of living.

The point I wish to make is this — the high income group is not to be found in agricultural counties such as Huron. Finding a remedy for this condition is one of the big questions to be solved. We cannot have a healthy economy when one segment of the population is wealthy and another poor.

As I have pointed out many times before, agriculture is the principal industry in Huron and although the role of the farmer is possibly growing smaller, it is no reason for saying that he is becoming less important. I would like to quote from a recent copy of a publication issued by The Department of Agriculture known as *Ontario Farm Business*. A few excerpts from an article entitled "How Important Is the Farmer?" might be pertinent and of interest at this point:

You will hear from many sources that agriculture holds a less important position in our modern economy than in years past. Such statements are usually supported by facts for, of course, facts can be found to support almost any controversial statement. However, let us look at some of the facts before we choose sides in this particular question.

Reference to readily available statistical reports show that, in 1871, agricultural workers amounted to 50 per cent. of the labour force of the country. By 1900 this percentage

figure had fallen to 40 per cent. and in 1955 only about 15 per cent. of the labour force was engaged in agriculture.

Certainly then, by this measure, agriculture occupies a smaller position in our modern economy.

Our first available series of statistics starts in 1926, and shows that at that time farm income amounted to 15.4 per cent. of the net national income. The low point in this series came in 1931, when agriculture's share fell to 4.2 per cent.

During the war and early post-war years the situation improved considerably, reaching a level of about 12 per cent. in 1946, and continued to hold reasonably stable until 1952 when a decline again set in. By 1955 the net income of farmers had fallen to about 7 per cent. of the net national income.

Now we must, of course, admit that there are increasingly fewer agricultural workers involved, so that agricultural income per member appears in a better light than agricultural income as a whole. The general picture is as we would expect to find it, agricultural income now comprises only a small, and diminishing, part of national income.

The responsibilities of the Canadian farmer have very definitely increased through the years. Some rough estimates have indicated that in 1856 one farm worker produced food for about 6 people; in 1906 one farm worker produced food for about 10 people, and the current indications are that a farm worker today produces food for about 18 people. Is this not an indication that the farmer is becoming increasingly important?

There is no reason to believe that this trend will abate, and thus the health and vigour of our expanding industrial labour force is dependent on the increasing production of fewer farmers.

By the same token, however, we must have a prosperous industrial economy so that our agricultural

products may find eager and profitable markets.

Let us now turn briefly to some Ontario figures to indicate how the relative growth in population affects the market for Ontario farm products.

An analysis of our population figures indicates that Ontario's population is currently increasing at an average rate of about 15 people per hour. That's right, 15 additional people every hour of every day throughout the year. Accordingly, to keep up with the demand for farm products, our marketing system must supply an additional 120 lbs. of meat, 10 lbs. of poultry, 84 lbs. of cereal grains, 96 lbs. of fruits, 36 lbs. of vegetables, 18 lbs. of oils and fats, 410 lbs. of fluid whole milk, and 30 lbs. of other milk products, plus other increases in eggs, peas, beans, etc., every day of the year, if consumption follows its current pattern.

There is, however, another aspect of the population growth that is extremely important to Ontario farmers. The decentralization of industry and the subsequent growth of many smaller towns and cities means a direct increase in first-class markets for farm products such as fluid whole milk, eggs, vegetables and meats.

Further, the probable developments along the St. Lawrence seaway may greatly change the farming pattern in many of our eastern counties. These are developments of considerable magnitude and will inevitably increase the importance of the role of our farmers.

We must be prepared to admit that the role of the farmer is growing smaller, but it would not seem that we have any basis for saying that the farmer is becoming less important.

This article to me does prove the point that the farmer is still a very important member of our economy, and unless he is prosperous, the towns and villages, particularly in an agricultural community, are very definitely affected.

I strongly believe that the decentralization of industry, and the creation of more manufacturing establishments away from the highly industrialized sections, would be of inestimable value to our whole economy.

The trade and industry branch of The Department of Planning and Development is encouraging the creation of regional development associations, and we in Huron county belong to the mid-western Ontario group. I believe they are doing a splendid job to attract industry, be it new factories, added tourist business, or otherwise creating interest in the area.

With the completion of the seaway and the power development of the St. Lawrence, and the undoubted importance of atomic energy in the days that lie ahead, industrial development will greatly increase. What effect it will have on some sections of the province, as compared to others, is not yet clear. But I would like to see all parts of the country share the benefits.

All along the shore of Lake Ontario, industrial establishments are increasing by leaps and bounds. The southwestern sections of the province, say in the Chatham, Windsor and Sarnia triangle, is highly industrialized; but from Sarnia north along Lake Huron in the counties of Huron, Bruce and Grey, we are still largely agricultural. As a consequence, we are not sharing in the general prosperity of the country.

Recent assessment figures in the county of Huron indicate several of the towns have decreased in population in the last year or two, and this in my opinion is a deplorable situation.

A great deal has been said about the task of the Water Resources Commission, and I would like to link up with this thought, the importance of this commission. The creation of this body is one of the most important measures undertaken by this government, and in my opinion it will rank as the greatest monument which our hon. Prime Minister has created to himself. For many years I have said the day was not too

far distant when water from the Great Lakes would have to be used in inland communities. I said that in this Legislature 6 or 7 years ago.

Although I will be unrelenting in my efforts to publicize Huron county, I will admit that, even with water at our doorstep, some parts of the county lack an adequate supply and are handicapped in attracting industry.

Despite the difficulties being encountered by the Water Resources Commission in dealing with the problem of various municipalities, I think the very number of projects placed before it in the first year of its existence serves to prove the statement I have made, that its task is monumental, and on its success depends the prosperity and growth of a large section of the province.

One of its great financial, if not engineering, tasks, will be to bring water from the Great Lakes to interior points.

A study of the map would indicate that if water is to be drawn from that inexhaustible source to meet the needs of western Ontario cities such as Stratford, Kitchener and Galt, and also London and surrounding territory, a point on Lake Huron just north of Grand Bend appears to be the logical point of intake.

The Water Resources Commission is a body whose activities I will follow with more than casual interest, and I am sure their work will be of incalculable benefit to southwestern Ontario in particular.

I have tried to indicate that Huron county is very important, but that, as an agricultural county, it might be called a "have-not" part of the province or in the "low income group." We are not sharing in the general prosperity of the nation.

There is no easy remedy, but I submit a few thoughts which may in some measure help the situation:

1. Improve marketing techniques, so that the farmer may have greater control over his products until they reach the

table of the consumer. In a word, so that the producer will secure a greater share of the consumer's dollar, but I hasten to explain that I do not suggest this is a cure-all. A large exportable surplus of farm products no longer exists, the home market is most important, and more prosperous small towns would be of inestimable benefit to the whole economy.

2. Greater efforts must be exerted to attract industry, and I believe our Department of Planning and Development is doing all we can expect a government to do towards this end. We are not a totalitarian state, so we cannot tell an industrialist: "You must build your plant up in Huron, Bruce or Grey," but I would like to commend the department and the boards established under its plan, for the great efforts they are putting forth in this respect.

The county of Huron is on the lake, and we want to sell that to everybody who may be looking for a location for new industry. It should be easier to take industry close to where water is found in abundance than to take that same water through a pipe line a distance of 50 or 60 miles. The difficulties and the importance of this great problem have been very strongly emphasized by the discussion this afternoon.

A year ago, when the hon. Minister of Public Works (Mr. Griesinger) introduced his estimates, he revealed that it was the intention of the government to build a new hospital school in southwestern Ontario. At that time I intimated that we in Huron would lay before the government the many advantages we had to offer. I can assure you, Mr. Speaker, that has been done.

My interest in these hospital schools is very keen. Nothing touches a more responsive chord in my make-up than an appeal for help from parents bearing the burden of a mentally ill child. I read very carefully a brief placed before the hon. Prime Minister and hon. members of the cabinet a few months ago by the Ontario Association for Retarded Children, and I know their recommenda-

tions will receive very serious consideration. The hon. member for York West (Mr. Rowntree), when commenting on this subject in his address, noted that action on this matter might be divided into two parts:

1. Facilities might be provided for those unfortunate children who are mentally retarded in the sense usually accepted by the public, that is the sub-normal ones whose intellectual capacities are sufficiently below average to constitute a handicap throughout life, but who, through painstaking care and attention from highly skilled teachers, would be enabled in the course of time to care in some measure for themselves.

A school of this nature might be erected close to a medical school where every facility can be offered for research and study.

2. On the other hand, unfortunately a large number do not come into this category, but require care and attention only, in the midst of pleasant surroundings. These require an institution where parents with other normal children in the family can place them in the knowledge that they will be well looked after, and that other children in the family will not suffer through the presence in the home of a sub-normal brother or sister.

This kind of institution could probably be located at or near the lake, where fresh air and sunshine abound, far removed from the possibility of being in the path of an expanding city.

Huron offers all these advantages plus many more, including:

(a) Central location; I have tried to dispel the idea that we are not a part of the province, that we are away to one side. We are away to one side but we are a part of the province and we are very centrally located in southwestern Ontario.

(b) Good highways within easy driving distance of all the major centres of population in western Ontario, not alone measured in miles, but the ease with which one can drive 100 miles com-

pared to driving a similar distance near a city. It might be of interest to know that we are now so close to the city of Toronto that whole milk is being produced in Huron for distribution in this city.

(c) Beautiful summer playground facilities nearby, and sunsets, the like of which are not to be seen anywhere else in Ontario.

The construction of such a mental institution in Huron would give a lift to the whole community, and would be a fulfilment of the principle set forth in all our federal-provincial dealings that I mentioned at the outset, that the strong should help the weak, a chain is only as strong as its weakest link, and that we cannot have a healthy economy if one section of the province is rich and another poor.

We are not looking for subsidies or money from the "public trough", but I feel that the location of an institution of this nature in Huron county would serve the same purpose as a shot in the arm to a wounded man who has lost a lot of blood. It would be a real boost to our economy at a time when it is greatly needed.

Despite newspaper reports I believe this matter is not settled, and in view of all the discussion this afternoon in which the hon. Minister of Health (Mr. Phillips) took such a prominent part, emphasizing the importance of water supply, sewage disposal and so forth, all these difficulties will be overcome if an institution were to be built in Huron county.

We are close to the lake, we have adequate supplies of water that does not have to be piped 50 or 100 miles. Also, the sewage disposal facilities are an easy problem to overcome, I believe, because of the sandy nature of the soil. Then, as I have already pointed out, Huron is centrally located, it has everything to be desired for an institution of this kind, and I conclude these few remarks by again submitting to the members of the government that Huron county should be considered.

Mr. W. Murdoch (Essex South) moves the adjournment of the debate.

Motion agreed to.

HON. L. M. FROST (Prime Minister) : Mr. Speaker, tomorrow we shall proceed with the debate on the amendment to the motion in reply to the speech from the Throne, com-

mencing with the hon. member for Essex South.

Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5.30 of the clock p.m.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, February 12, 1957

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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

TUESDAY, FEBRUARY 12, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

Introduction of bills.

MCMASTER UNIVERSITY

Mr. A. J. Child moves first reading of Bill intituled, "An Act respecting McMaster University."

Motion agreed to; first reading of the bill.

MUNICIPALITY OF NEEBING

Mr. G. C. Wardrope moves first reading of bill intituled, "An Act respecting the Municipality of Neebing."

Motion agreed to; first reading of the bill.

THE CEMETERIES ACT

Hon. M. Phillips moves first reading of bill intituled, "An Act to amend The Cemeteries Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, may I first say that this bill for the amendments

to The Cemeteries Act simply carries out the recommendations made by the committee of the whole house on cemeteries, who brought in their report, I believe, in 1954. It deals with mausoleums, in fact it brings mausoleums under the same control, as far as perpetual care is concerned, as cemeteries, and which was not in the old Act.

I would like to read to the House an amendment to subsection gg:

Perpetual care means preservation, improvement, embellishment and maintenance in perpetuity in a proper manner of lots and plots in a cemetery or all compartments in a mausoleum or common burial.

Then the companion amendment to that will be found in amendment 6 which reads as follows:

Subsection 2 of section 16(a) of The Cemeteries Act as re-enacted by section 4 of The Cemeteries Amendments Act, 1954, is amended by striking out "tombs, monuments and enclosures" in the third line, and by adding at the end thereof:

"And the owner may out of such income preserve and maintain tombs, monuments and enclosures in the cemetery."

So that subsection shall now read as follows:

"The owner shall out of the income of such investment preserve and maintain in a proper manner in perpetuity all lots in the cemetery or compartments in the mausoleum,

or common burial, as the case may be, and the owner may, out of such income, preserve and maintain tombs, monuments and enclosures in the cemetery."

Mr. Speaker, that simply means this, that he must maintain or preserve and maintain, in a proper manner, the lots and plots as well as the compartments in the mausoleum or common burial, but it is entirely up to the local authority whether he uses any of the perpetual care funds in the preservation and maintenance of tombs, monuments and enclosures.

Now, those are the main things in the bill and I will explain further when it comes to second reading.

MR. J. F. EDWARDS (Perth): Mr. Speaker, before the orders of the day, I would like to express my appreciation and that of my mother and family for the sympathy extended to us by the hon. Prime Minister and other hon. members of the Legislature in the recent passing of my father.

As I stood in the funeral parlour and watched more than 600 people from all walks of life file past, each one paying some personal tribute, some particular act of kindness, I was proud to be a son of such a man. Dad was 87 years of age, the third generation of his family born in Canada. His great-grandparents came to Ontario in the early 1800's. He was practically a town institution, and was known to children and grownups alike.

A couple of years ago, an English teacher in one of our local schools asked her pupils to write an essay on the most unforgettable character they had ever known. To her amazement, most of the essays were written about my father.

In a telegram of condolence from a former Presbyterian minister, he said, "Your father was the first to always welcome a newcomer into town, and the two questions he always asked them were, 'Are you a Presbyterian?' and 'Are you a Tory?'. He will indeed be missed."

To the hon. members may I say again, thank you for your sympathy.

MR. SPEAKER: Before the orders of the day, I would like to welcome to the assembly, this afternoon, pupils from Downsview Collegiate Institute of Downsview, Ontario; pupils from the King Edward Public School, Toronto, and from Pelham Centre School, Guelph.

Orders of the day.

ADDRESSES IN REPLY TO THE SPEECH FROM THE THRONE

MR. W. MURDOCH (Essex South): Mr. Speaker, since this is the first time I have taken part in a formal debate during the present Legislature I want to add my congratulations to those of the other hon. members for the excellent manner with which you are conducting the proceedings in this chamber. With your dignified and firm manner, along with the frank answers given by this government to all questions from the opposition, we are spared the uproar and humiliation in this chamber which has been reported from another legislative jurisdiction.

I am glad to have this opportunity of expressing my appreciation to my constituents in Essex South for re-electing me as one of the 98 members of this Legislature. I am personally very happy that the hon. Leader of the Opposition (Mr. Oliver) was unsuccessful in his attempt to unseat me, and I express my regrets to the hon. Leader of the CCF party (Mr. MacDonald) that he was unable to find a standard bearer in Essex South. My constituents were denied the opportunity of learning at first hand just where the CCF party is going, or how it intends to get there.

MR. MacDONALD: We will do better the next time.

MR. MURDOCH: Mr. Speaker, in my earlier years in this Legislature, agricultural topics were discussed in

this chamber by more members and at much greater length than they are today. The subjects of highways, education, metropolitan areas and hospital insurance seem to have pushed agriculture into the background.

It seems that during the past 15 years, the province of Ontario has emerged as an industrial and manufacturing province, with a much smaller rural background. It is well known that any country which remains predominantly agricultural also remains chronically poor. However, this does not mean that our farm producers should be neglected in any way, and I can assure the hon. members of this House that they are not being neglected by the present government.

I would like to point out that, in the difficult years immediately following the war, this government paid over \$8 million to the cheese producers, and almost \$5 million to hog producers, as well as substantial amounts in the case of sugar beets and wool.

The Ontario Food Terminal was constructed and is serving the fruit and vegetable producers as a marketing centre for fruits and vegetables. This is one of the most modern terminal warehouses in the world. The building of this fine market was the most important contribution ever made to stabilize and put on a firm foundation the fruit and vegetable growing industry in Essex South and throughout Ontario.

Properly refrigerated holding rooms mean that a steady market is created, producing an even flow of farm products from the producer to the consumer with the highest degree of efficiency, thereby ensuring complete satisfaction to both parties in the process. By request of producers everywhere, this government has established fruit and vegetable inspection stations throughout the province, including Essex South, so that all producers will be compelled to adopt the recognized grades, and by doing so producers will increase their sales and consumers will be assured of high and dependable quality.

The Toll on Fruit Containers Act has given the fruit and vegetable growers the necessary funds to improve their grading, and to establish central packing stations. It has led to the introduction of modern and more convenient containers to suit the needs of the consumer, and has helped to improve shipping facilities, resulting in a higher quality product.

Under The Farm Products Marketing Board, to give the farmer more control of his products, 16 marketing schemes have been put into operation in Ontario, covering 30 different farm commodities. This means the establishment of efficient organization to take care of new and changing market conditions.

However, I would like to point out to the hon. Leader of the Opposition that the greatest hazard to the fruit and vegetable growing industry in Ontario is the importation of foreign fruits and vegetables.

Producers do not ask or look for embargoes on such produce, but they do ask for some protection from foreign imports during their own marketing season. "The Canadian market for Canadian producers during the Canadian season" is what they ask for, but they cannot obtain the proper co-operation at Ottawa.

In 1955 more than \$80 million worth of foreign fruits and vegetables were imported into Canada. To compensate for the light crop of 1956, peach growers anticipated that their prices would be higher than in 1955 when they had a bumper crop. That basic law of supply and demand did not operate, however, as all kinds of peaches were imported from California.

Last fall, I believe for the first time in history, large quantities of tomatoes were imported into Ontario from the United States, and no matter what this government does in Ontario, farm producers, and especially fruit and vegetable growers, will never be prosperous until they get more co-operation at Ottawa than they have ever had in the past.

The province of Ontario sends many Liberal members to Ottawa to represent

this great province, but there appears to be a real conspiracy of silence when they arrive there.

Mr. Speaker, during a television broadcast last night the hon. Leader of the Opposition—and I will say from all reports, I hear he made a very good appearance on television—made a statement that it would take 27 years to complete the construction of highway No. 401.

MR. OLIVER: It will take longer than that.

MR. MURDOCH: This is simply a demonstration of the narrow limit of the hon. Leader of the Opposition's political vision, and it emphasizes that he has no faith in the skill and technical ability of the people of Ontario to build highways.

This government has done more in the construction of highways during the past 10 years than was done in the previous 30, and this pace will be greatly accelerated in the years immediately ahead.

Due to the advance and growth of controlled access highways, we have a new perception of the usefulness and purpose of a highway. The new thought is that highways should be designed to carry through traffic only, and parallel service roads are constructed to carry the local traffic. Future residential growth, and industrial and business expansion, will develop in areas adjacent to the service roads.

The ultimate goal of our highways engineers seems to be a type of dual purpose highway system, one for through traffic, moving without interruption at a high rate of speed for long distance travelling, and one for the growth and development of areas adjacent to the main highway artery. With the advent of the controlled access highway, it has been generally rated that highways serve 4 main purposes: agriculture, industry, the tourist trade, and general development.

Since in Ontario we have a total capital investment in highways of more

than \$1 billion, it can be said that the motorist, through registration fees and gasoline tax, has contributed \$250 million in cold cash in promoting agriculture, \$250 million in the development of industry, \$250 million in general development, and \$250 million in promoting the tourist and travel business.

During the Christmas holidays our family motored to Florida. We started off from Amherstburg and drove 18 miles through Ontario, over the Ambassador Bridge, and approximately 60 miles through the state of Michigan and into Toledo, Ohio. We travelled directly south through the states of Ohio, Kentucky, Tennessee, Georgia, and we were well down into the state of Florida when I looked at the speedometer. We had travelled 1,200 miles, and this reminded me that by highway from Windsor to Port Arthur and Fort William is approximately 1,200 miles, and after this we could still travel 350 miles past the Lakehead to Kenora, and still be in the province of Ontario.

The highways of those southern states would not appear to be any more extensive, or in any better condition, than our highways in Ontario. But we must realize that in those states the total population exceeds 29 million, whereas our huge highway system in the province of Ontario is supported by a population of less than 6 million. And again the factor of severe winter weather in Ontario is an additional burden as compared to many sections of the United States.

This exceedingly high mileage, combined with our comparatively small population, means that our Department of Highways is doing more on a mileage-population basis than any other jurisdiction in the world.

Mr. Speaker, since there has been considerable speculation and activity in my riding as a result of the real need for water, and knowing that this problem is duplicated in many sections of the province, I am going to say a few words on the progress which is being made.

In 1955 it became quite apparent to this government that a serious problem had developed in the province owing to a dwindling supply of pure water to supply the needs of our expanding industries and growing population.

Hand in hand with this problem it was further realized that immediate steps would have to be taken to prevent further pollution of our streams and international waters. As a result of this realization, the Ontario Water Resources Committee was appointed in August, 1955, and this committee made a complete survey of the needs of the province.

Following this survey, the Ontario Water Resources Commission was appointed in May, 1956, to proceed with the work. In the 18 months that the committee, and later the commission, has been carrying on, many communities have made representation, and scores of meetings have been held working out the details and costs of installing water and sewage facilities. The commission has adopted the policy that if any mistakes are made, it wants to make them on paper where they can be easily rectified.

The huge costs involved have caused the municipalities serious alarm as they realized the enormous amount of indebtedness they would have to assume during the next 20 or 30 years.

The members of the Ontario Water Resources Commission work hard and late into the night, and the various mayors, reeves, and municipal council members have also given a great deal of their time in trying to work out plans which will give them maximum value for the money they invest. Fortunately for me I have had the time and the keen interest to attend most of these meetings held in my area.

It is envisioned in the county of Essex, that a network of pumping stations and underground installations will eventually cover large sections — and, indeed, this is envisioned in many other parts of Ontario — to provide our growing needs with full supplies of pure water, in the same manner that hydro is generated

and distributed to every corner of the province.

In order to appraise fully the real progress which has been made by the commission, and to bring this progress into true perspective, I first wish to summarize briefly the events leading to the introduction of Ontario hydro during the early part of this century.

There appears to be some criticism from the municipalities, where the need is most urgent, that we are not working fast enough with our water and sewage plans. But let me point out that Ontario hydro had a slow and inauspicious start. On February 11, 1902, a Mr. E. W. Snider, grandfather of the present chairman of the Water Resources Commission, addressed a meeting of the Waterloo board of trade, advocating that steps be taken to bring motive power from Niagara Falls to the district.

The response was not too favourable, but it was followed by an investigation by a committee, and a report was presented to a later meeting in the town of Berlin, now Kitchener, on June 9, 1902. The need for electrical power was growing, and in February, 1903, a further meeting was held, which included representatives of the municipal councils of Berlin, Brantford, Dundas, Galt, Hamilton, Hespeler, Ingersoll, London, Toronto, and others.

AN HON. MEMBER: And Brantford.

MR. MURDOCH: This meeting resolved itself into a motion that:

We respectfully suggest, and urge upon the government of Ontario, the advisability of the government building, and operating as a government work, lines for the transmission of electricity from Niagara Falls to the towns and cities of Ontario.

One of the interested attendants at this meeting was the mayor of London, Adam Beck, who was also an hon. member of the Ontario Legislature. As he expressed it at the time of the meeting,

he came "to listen and learn." Just 10 days later, a committee waited upon the Ontario government and a promise was given that the municipalities would be given the right to transmit power from Niagara, and the direction was given to them to co-operate for that purpose.

On January 12, 1903, an Act was passed authorizing any two or more municipalities to appoint a commission to examine into, and report upon, the desirability of establishing works for the production of power, heat and light.

The newly formed commission held its first meeting in Toronto on August 12, 1903, and, of course, included Mr. E. W. Snider. Adam Beck, MPP, was the chairman. The only information that I can find makes it appear that the first report was published on March 28, 1906, two and a half years later.

On May 7th of the same year, a bill was introduced into the Legislature by the hon. Adam Beck, entitled "An Act to Provide for the Transmission of Electric Power to the Municipalities." It received Royal assent on June 7th, and the first commission was formed, and thus was born the Hydro-Electric Power Commission of Ontario.

Early in 1907, local surveys were begun for the transmission lines that were to convey power purchased from the Ontario Power Company at Niagara. Constructions followed, and it was not until October 11, 1910, that the first power was officially turned on at Kitchener.

So we see that the initial meetings were actually started in 1902, and 4 years later the Act was passed authorizing the commencement of the work. It was not until 4 years after the commencement of the actual work that the first power was turned on. We remember that the first commission did not generate any power, but merely purchased it from existing generating stations. All the first commission did was to distribute the power to the various municipalities which were in a position to accept it.

I just point this out to hon. members because the problems which confront the Ontario Water Resources Commission today are much greater than those of the original Hydro-Electric Power Commission.

The Ontario Water Resources Commission is now only 9 months old, and I am looking forward to the construction of the first pumping station in this year of 1957 at Lake Erie, to supply with water the towns of Leamington, Essex and Harrow, along with the adjoining townships.

The meetings and the experience of the commission with the towns of Leamington, Essex and Harrow have been closely covered in the local press, and a brief report of these activities at this time may serve to indicate the multiplicity of problems which the commission has had to meet, and, of course, this situation exists in other parts of the province.

Negotiations with the town of Essex began almost a year ago. A firm of consulting engineers was employed to prepare preliminary estimates for serving the town by several alternative routes. By the shortest route, the town of Essex is about 11.5 miles from Lake Erie. By this direct route, however, a water line would serve very few users along the way, since it passes through an area of general farm land where the ground water supply normally is ample.

An alternative route was then explored in a general way following No. 3 highway. By this route, Essex is about 14 miles from Lake Erie. It now appears that between one-third and one-half as much water as the town of Essex uses will be used along this latter route from the time the water line is first put into service.

The area through which this route proceeds is building up rapidly with more and more families now using the limited amount of ground water which is available. Deep irrigation wells are also adding to the problem by drying up the wells of other residents in the summer months. The need for pure

water along this stretch of 40 miles is quite intense, and will resolve into a critical problem within a very few years.

This less direct route will be a boon to many rural residents now suffering from an acute water shortage; it will allow the area to develop for residential purposes and will more than carry its share of the water cost from the initiation of the project.

Soon after the commission's negotiations with the town of Essex and the two townships of Gosfield South and Gosfield North became public news, residents of two other townships north of the town of Essex requested that they be included in the plan. These townships are Maidstone and Sandwich South, and, when it was learned that these townships desired water, the village of Woodsee, with a population of approximately 1,000 persons, also expressed a desire to be included.

The town of Leamington, with a population of about 8,500, is situated 5 miles east of the proposed intake installation. When the commission held its public hearing for the county of Essex, it was indicated that Leamington was adequately supplied with water from its deep wells.

The town has been growing at a rapid rate, however, and a score of deep irrigation wells have been drilled in recent years around the town. The town wells have been pumping beyond their rated capacity and the prospect of further ground water near the town is very unpromising. The council and Public Utilities Commission of Leamington thus have asked for facilities to be installed large enough to serve their town.

The H. J. Heinz Co. of Canada, which is the chief industry of Leamington, and the largest manufacturer of Essex county farm products, also have requested to be included for a volume of water about equal to that required by the town of Leamington.

Other distribution lines are being contemplated in the townships which surround Leamington, to serve various settlements, summer resort areas and

farming sections. Still further lines are contemplated for the near future and here we find one of the real difficulties confronting the commission.

As each new area has become interested, engineering estimates have had to be revised. I understand in the case of Essex county, they have been revised about 7 times. The intake, chlorination, and filter plant and transmission lines all must be made many times larger than originally planned.

Yet with each new set of calculations, the project becomes more economical. The cost of water from the line will probably be about 25 cents per 1,000 gallons, which is an economical rate in these days of high construction costs.

In estimating the costs, the commission has used a very conservative basis while budgeting for revenue on a minimum demand. Interest as estimated at 5 per cent., which could be a little higher as of today, and a capital sinking fund is provided for a period of 30 years. As well as this, a reserve fund for contingencies is budgeted up to 1.5 per cent. of the capital cost, and operating costs are figured as high as reasonably can be expected.

The most recent estimate for the capital cost of the project is about \$3.5 million, and the total annual costs of the system are estimated at approximately \$340,000.

The capacity of this proposed installation is rated at 1,300 million gallons. The attempt has been made to divide costs on an area basis, but there are so many areas that this is indeed a very difficult task.

About one-half of the cost is represented by the intake, filtration and other common expenses. The other half is in the transmission lines.

The commission feels that the only fair and workable basis is to divide all costs according to actual use, based on the gallons consumed and, of course, subject to minimum quantities.

The project is not designed explicitly for irrigation, although no doubt a great deal of water will be used for this pur-

pose. The commission's calculations indicate that pressure pipe is too expensive a method of carrying water for irrigation purposes.

During the early years of a domestic water project, however, when it has a large surplus of water, some of this water can be made available for irrigation. Off-peak water also may be available for farmers to take at night, stored in ponds to be used when actual irrigation is required.

This water project in Essex county, cutting transversely through Essex South, is ideally located for the later extensions to the various rural areas and to the miles of summer cottages.

Many of these summer cottages are on narrow lots, using shallow wells at the present time. In some cases, residents are virtually drinking their neighbours' septic tank water.

Mr. Speaker, this outline indicates the detailed problems which are being met and solved by the commission in Essex county. I know that similar detailed work will be undertaken in many other parts of Ontario.

The commission's 9 months' history has involved many other problems, according to press reports. The commission has had to devise a standard contract form which will be acceptable to the municipalities on the one hand, and which will give confidence at the same time to the prospective bond holders. We must remember that the bonds must be made saleable, and the contract must also be acceptable to the Treasury Department and to the Ontario Municipal Board.

This constitutes one of the real problems at the present time with so many varied interests to be satisfied. One particular objection from some of the municipalities relates to the contingency reserve. By maintaining this reserve, it means that the unit cost of water or sewage disposal is higher than it would be otherwise. Without such a reserve, however, a project might encounter costs which would fluctuate greatly from year to year, and this would not be a desirable condition.

Experience will reveal how high a reserve fund should be and, of course, the interest earned on the reserve fund of a project will be credited to that project or the municipality. When ownership of a system is conveyed to the municipality or municipalities, the balance of the reserve fund will be conveyed at the same time.

Most critics seem to feel that the commission would not be doing its duty if it did not provide such a reserve fund. We must remember that the financing of these facilities through the commission is providing a new and attractive method for municipal financing.

However, it appears that a municipality is still free to use either of the other methods: by selling debentures to the public, or by selling debentures to the Ontario Municipal Improvement Corporation.

I think that the chief function of the Ontario Water Resources Commission is to see that pure water is made available to the citizens of Ontario, regardless of which of the financing methods is chosen by the municipality. No municipality or industry can continue to pollute the water supply of its neighbours.

Now we come to the other angle of it — sewage disposal. In too many cases, a municipality takes its water from a relatively pure stream, and discharges its sewage below its own water intake but above its neighbour's intake. Interest in this problem, I find, is much greater than ever before. There is a growing realization on the part of the public that it is a trespass on the rights of their neighbours and of themselves for untreated effluent to be discharged from municipal or industrial sewers into a stream or lake which serves others.

I have been very happy to follow the meetings of the commission in Essex county, and to listen to the advice given to the municipalities to solve their water and disposal problems on an area basis. This approach is often unpopular as between a city or town, and the surrounding suburban area of a township.

Many urban councils feel that they should not co-operate with the neighbouring suburban area, but in many cases such co-operation is the only economical course.

We are attaining informal metropolitan areas in many parts of Ontario by pooling of facilities and costs in schools, police protection, fire protection, hospitals, recreation centres, and other common public enterprises. But some still do not agree, or realize, that the interest of the town or city resident is identical with that of the surrounding suburban area.

Mr. Speaker, I have been mentioning some figures — highway figures — and the figure of approximately \$3.5 million for a water system in Essex county; and hon. members know that we are faced in Ontario with expenditures running into many, many millions of dollars. It is estimated — of course nobody knows this — that the budget this year will eventually be in the neighbourhood of \$500 million. I do not think that is any secret.

In closing my remarks today, I would just like to do something I do quite often, and that is go back into the records of this province of Ontario. I have here a report of the Royal commission on the financial position of the province of Ontario, dated 1900. It appears that in the year 1900 someone in the Legislature questioned the standing and support of the government, and this commission was appointed to go back to Confederation in 1867 and look over the finances of the province and report. This report covers a period of 32 years and 4 months, to be precise.

It is a very imposing report, prefaced by the usual old-fashioned language: "Know now ye that we, having imposed full trust in ye and the said John Huskin, ye and he are appointed a committee . . ." We do not do it like that now; we just go ahead and appoint a committee without too much preamble.

But we find, for instance, that in the first year after Confederation the receipts of the province of Ontario were \$1,156,000, and the expenditures were

\$611,000. I know the members of the treasury, and especially the hon. Provincial Treasurer of Ontario, will really like that. They collected \$1,156,000 and spent only \$611,000; which means somewhere they had \$500,000 to the good.

The amazing part is—all these years are itemized on this page—that from 1867 to 1899 the receipts started off at \$1,156,000; they go up to \$2 million; then to \$3 million; then back to \$2 million; then up to \$3 million; then to \$4 million; but by 1899 they are back to \$3 million. The entire receipts of this province in 1899 were \$3 million. The total receipts for the 32 years and 4 months were \$103 million, just \$103 million.

Mr. Speaker, it is interesting to observe that during this period 45 per cent. of this money came from the federal government in the grants which were established at the time of Confederation, and it is found that the receipts from woods and forests was a large provider of revenue in those early days in this province. I see that, during the whole period of 32 years and 4 months, the liquor profits were \$5 million spread over that period. But there were no succession duties and no income tax. A number of the taxes which we have today seem to be missing.

Here are a few interesting items:

For instance, the aid to roads by the provincial government was a little over \$3 million; and the amount given to education was \$17 million over this long period. We find that we can hardly believe that this is the same province in which we are living today.

The most interesting part of this book is the list of public buildings which were built in the province of Ontario during that time. We find listed the old Parliament buildings, the new Parliament buildings, Government House, Osgoode Hall, county gaols, registry offices and lock-ups in Algoma and other places, central prison, Penetang reformatory, the Mercer reformatory, asylums at Brockville, Hamilton, Kingston, London, Mimico, Orillia and

Toronto; the blind institute, deaf and dumb institute at Cobourg, normal school, London; normal school, Ottawa; normal school, Toronto; school of practical science; eastern farming and dairy school; western dairy school; pioneer dairy farm; agricultural farm; agricultural college; agricultural hall; and here at the bottom, \$2,356 for General Brock's monument and shelter. I presume that is down in Niagara.

The peculiar part of all these buildings which I enumerated, and which I took the length of time to enumerate on purpose, add up to a total amount of \$9,548,858.03—\$9.5 million. Look around today. In Montreal, the Queen Elizabeth Hospital and the Queen Elizabeth Hotel, \$20 million; the new hotel, the Lord Simcoe, here in Toronto, \$9.5 million; the addition to the Royal York, \$10 million; the proposed new hospital for retarded children, \$10 million. The point is that \$9.5 million covered all the buildings I enumerated.

It just points out one thing to me. That is, when the province of Ontario was strictly agricultural, I do not think the people ever realized that we would become the province which we are today. We know that, with the advent of the motor car, the building of highways, the development of this province, the first 33 years, from 1900 to 1933, saw great development. In fact,

history proves that in no other period in history was there more development made than in that period. If you add another 30 years, bringing us up to 1963, hon. members know where we stand today and also how much money we will spend, and the privileges which we enjoy, and the services which we give our people. We realize the high standard of living which we have, and I think as a country develops, and as more investment is made in it, our dollar value becomes less. So I do not think we should put off doing some things which are needed in the province at the present time, simply because it looks as if dollars are a little harder to get. I think this is something which will always be with us, and in 30 or perhaps 40 years' time, there will be generations reading our figures, and they might look as significant to them as these do to us today.

In concluding my remarks, I would like to emphasize once again that in this rather critical period of unprecedented development in the province of Ontario we cannot reach our objectives if we act only as individuals or as isolated communities. We all have common problems, and can solve them only by a united approach and by complete co-operation, which I know will always be given by the province and our almost 1,000 municipalities.

ANNUAL RECEIPTS AND EXPENDITURES OF THE PROVINCE OF ONTARIO FROM CONFEDERATION TO OCTOBER 31, 1899, A PERIOD OF 32 YEARS AND 4 MONTHS

<i>Year</i>	<i>Receipts</i>	<i>Expenditures</i>	<i>Year</i>	<i>Receipts</i>	<i>Expenditures</i>
1867	\$1,156,857.36	\$611,410.61	1885	\$3,005,920.71	\$3,040,139.07
1868	2,443,686.06	1,484,506.31	1886	3,148,660.01	3,181,449.69
1869	2,783,745.75	1,750,416.04	1887	3,527,577.95	3,454,372.43
1870	2,721,971.78	1,883,640.96	1888	3,602,862.14	3,544,834.85
1871	2,659,746.69	2,121,448.42	1889	4,464,030.71	4,578,982.00
1872	3,367,415.04	2,522,219.38	1890	3,434,258.69	3,907,428.08
1873	3,141,297.67	3,099,634.43	1891	4,138,589.09	4,158,459.55
1874	3,446,347.93	3,883,701.79	1892	4,662,921.57	4,068,257.39
1875	3,156,605.81	3,617,522.07	1893	4,091,914.01	3,907,145.32
1876	2,589,084.99	3,152,365.47	1894	3,453,162.69	3,839,338.75
1877	2,502,448.88	3,131,998.22	1895	3,585,300.10	3,758,595.44
1878	2,284,656.16	2,914,864.11	1896	3,490,671.45	3,703,379.73
1879	2,287,951.39	2,954,711.92	1897	4,139,847.68	3,777,675.70
1880	2,584,151.76	2,531,166.45	1898	3,710,927.74	3,864,970.85
1881	2,788,746.78	2,592,799.93	1899	3,303,098.56	3,151,340.85
1882	2,880,450.40	2,931,824.60		\$103,815,404.42	\$103,218,525.46
1883	2,439,941.42	2,900,035.38			
1884	2,820,555.45	3,207,889.67			
			Unexpended		596,878.96
					<u>\$103,815,404.42</u>

(Continued next column)

RECEIPTS — 32 YEARS AND 4 MONTHS, TO OCTOBER 31, 1899

From Dominion government		\$47,624,136.35
Grammar school lands	\$178,660.46	
Common school lands	1,325,554.02	
Clergy lands	1,173,677.32	
Railway lands	39,308.89	
Crown lands	3,174,898.14	
Sundry receipts	525,580.02	
Rentals	358,055.16	
Woods and forests	23,871,893.28	
Mining licences, 1897-8	6,166.00	
Ten months of 1899 unclassified	842,034.33	
Crown lands dept. returns	\$31,495,827.62	
Municipal loan fund	2,373,393.30	
Toronto asylum land	\$300,122.61	
New Parliament building land	174,210.04	
Agricultural hall	101,250.00	
Mimico and other land sales	114,266.21	
	689,848.86	
Algoma land taxes	152,516.06	
Fisheries for the year 1899	28,619.94	
Territorial revenue		34,740,205.78
Revenue from prisons and asylums	\$2,359,055.46	
Revenue from educational institutions	1,398,611.57	
From underwriters of property burned	73,115.10	
From sale of provincial statutes	43,605.01	
From <i>Ontario Gazette</i>	277,319.27	
Interest upon investments	3,334,347.32	
Annuities sold	2,066,529.27	
Swamp drainage assessments	256,877.01	
Drainage debentures redeemed	1,023,999.04	
Earnings and repayments		10,833,459.05
Liquor licences	\$5,578,599.87	
Law stamps	2,257,927.71	
Succession duties since 1892	1,179,449.53	
Charter and secretarial fees	258,738.50	
Official surplus fees since 1880	239,357.98	
Marriage licences to 1873	214,540.96	
Marriage licences since 1874	71,561.27	
Private bills	123,939.89	
Fines and forfeitures	119,203.27	
Insurance company fees since 1876	178,522.54	
Loan company fees since 1897	30,853.80	
1899 receipts under 62 Vic., cap. 8	144,983.91	
Licences, stamps and fees		10,397,679.23
Casual receipts unclassified		219,924.01
		<u>\$103,815,404.42</u>

EXPENDITURES — 32 YEARS AND 4 MONTHS, TO OCTOBER 31, 1899

Dominion of Canada	\$2,812,670.99
Civil government	\$5,928,352.68
Gratuities	354,814.72
Legislation	4,035,636.77
Statute consolidation	230,665.73
Elections and voters' lists since 1874	684,218.24
N. W. boundary and arbitrations to 1885	66,374.57
Administration of justice	9,881,311.07
Scott Act, years 1882 to 1890	45,445.81
Governmental services	21,226,819.59
Aid to railways	\$6,820,910.49
Colonization roads	3,248,015.30
Municipal drainage	1,194,970.87
Swamp drainage	366,581.44
River, lake and bridge works	1,078,961.21
National parks since 1885	70,182.41
Public works other than buildings	12,779,621.72
Public buildings, construction outlay	\$9,548,858.63
Repair and maintenance since 1884	1,107,579.17
Fire premiums, 1872 to 1887	136,141.86
Maintenance of public institutions	17,661,946.35
Yearly grants to hospitals and charities	3,315,182.13
Miscellaneous grants	314,842.73
Loan to Toronto General Hospital in 1869	4,000.00
Education	\$17,832,675.96
Toronto university, fire grant	160,000.00
Crown lands surveys, ranging, improvements, agencies and compensations	\$3,176,125.05
Crown lands refunds	495,998.95
Province of Quebec as interest upon collections of common school land sales, on account	250,000.00
Miscellaneous refunds	29,453.55
Surplus distribution to municipalities under Acts of 1859 and 1873	3,388,777.47
Municipalities fund—distribution of clergy lands under 50 Vic., cap. 5	929,375.47
Land improvement fund—distribution of portions of certain Crown lands sales between 1853 and 1861	620,436.53
Charges upon revenue	8,890,167.02
Agriculture and arts	\$4,207,895.40
Factory Act since 1887	58,572.35
Colonial Exhibition in 1886	10,073.29
Columbian Exhibition in 1893	95,492.97
Immigration	1,033,443.80
Unforeseen and unprovided for	\$283,060.23
Expenditures unclassified	788,881.27
Annuity repayments	950,600.00
Total of expenditures	2,022,541.50
Total of expenditures	\$103,218,525.46
Accountable warrants, current Oct. 31, 1899	\$4,352.58
Cash on hand, Oct 31, 1899	592,526.38
Total	596,878.96
Total	\$103,815,404.42

RECEIPTS

The receipts of the province since Confederation have been \$103,815,404.42, namely:

Dominion government	\$47,624,136.35
Territorial revenue	34,740,205.78
Earnings and repayments	10,833,459.05
Licences, stamps and fees	10,397,679.23
Unclassified	219,924.01

NO. 7—PUBLIC BUILDINGS CONSTRUCTED 1867 TO 1899

<i>Institution</i>	<i>Construction Expenditure</i>	<i>Institution</i>	<i>Construction Expenditure</i>
Old Parliament building	\$ 107,306.49	Lunatic asylums— <i>continued</i>	
New Parliament building	1,501,448.68	London	\$907,451.97
Government House	183,795.48	Mimico	595,802.01
Osgoode Hall	141,730.92	Orillia	524,534.50
County gaols	93,369.70	Toronto	373,778.33
Registry offices and lock-up:		Blind institute	269,830.48
Algoma district	59,535.29	Deaf and dumb institute	314,322.45
Haliburton district	8,465.62	Cobourg institute	15,031.50
Muskoka district	25,959.67	Normal school, London	38,667.13
Nipissing district	51,511.87	Normal school, Ottawa	217,051.76
Parry Sound district	27,318.92	Normal school, Toronto	177,670.25
Rainy River district	35,691.00	School of practical science	282,310.06
Thunder Bay district	46,912.04	Eastern mining and dairy	
Central prison	872,886.35	school	12,048.11
Penetang reformatory	177,279.66	Western dairy school	14,583.71
Andrew Mercer reformatory ..	130,154.78	Pioneer dairy farm	5,178.43
Lunatic asylums:		Agricultural farm, Mimico	53,887.84
Brockville	465,872.81	Agricultural college	475,574.20
Hamilton	883,206.70	Agricultural hall	324.00
Kingston	456,121.55	Brock's monument and shelter	2,356.22
			<u>\$9,548,970.48</u>

MR. R. WHICHER (Bruce): Mr. Speaker, first, may I once again extend to you and, through you, to all of the hon. members present, greetings from the people of the county of Bruce. They are given truthfully and sincerely. Along with those greetings go my personal thanks to the hon. Prime Minister (Mr. Frost) and his cabinet, and to all of the private hon. members of this assembly for their friendliness and, in most instances, a general desire to help that has been given to me in the past year.

But today I must assert myself as an opposition member whose duty, certainly, is still to co-operate but, at the same time, to oppose those measures that I consider to be not in the best interests of the people of the province. In other words, my duty is to tell the other side of the story that has been given by the government.

I have been warned by many hon. members of the House that stories are simply not told in this assembly. However, to illustrate my point, perhaps I might remind the hon. members of what happened to a big fat dew-worm who put his head out of the soil and looked over the grass one misty night. The moon was out; it was a perfect night for dew-worms and there were dozens and

dozens of them lying on top of the soil. Feeling a little romantic our particular friend peered up in the air and leaned toward another one about 3 or 4 inches away. "Hi, honey," he said, "how about a date tonight?"

The other one looked at him in astonishment and replied: "Don't be silly. I'm your other end."

One end of this government has been disclosed to us by those hon. members who moved and seconded the speech from the Throne; I propose to discuss the other end.

My remarks this afternoon will be directed on matters that I hope concern the whole province, but each of them can be related to my own county of Bruce. I make no bones about that fact. They are the people who elected me and to them I owe my first obligations.

Being factful and, I hope, realistic my first observation is as follows:

Throughout this province there is, and certainly was in the last provincial election, a feeling that this government did and are doing a reasonably good job. To criticize them is to commit a sin. Some Conservative hon. members of this House in their idolization for their hon. leader attempt to create an

impression that his perfection makes him practically irreplaceable, that Ontario could not have gotten along without him, that without him we would have been a poverty-stricken province void of all forms of good government.

Such nonsense! Franklin D. Roosevelt, president of the United States, died at a crucial point in the last war but we still won it. There are scores of such examples. Yes, in the history of the world there have been few perfect men and few perfect governments. The perfection is there only because the imperfections have not been pointed out. It will be my task to point some of them out this afternoon.

Let me start with a small example in my own locality, dealing with The Department of Lands and Forests. May I say that my investigation of this particular matter has been carried out with the fullest co-operation of that department, and it may well be that the hon. Minister (Mr. Mapledoram), for whom I have a great deal of respect, knows nothing about it. However, we will let the people be the judge.

About 9 miles from Wiarton, where I reside at the mouth of Colpoys Bay, are three islands—Hay island, White Cloud island and Griffith island. They possess approximately 3,000 acres each and are about a mile from the mainland. As far as hunting goes there was always a considerable deer population on each. One would naturally expect that the hunting laws for one would be the same as for the others.

Such is not the case. I do not know the exact name under which Griffith island is registered, although the Frigidaire division of the General Motors Corporation certainly control it, and it is used for the schooling and recreation of executive officers of General Motors from all over the continent. People from the high places in life are frequently entertained there; for example, the president of General Motors and, in years gone by, Lord Alexander of Tunis. Among other forms of entertainment is that of hunting deer.

In the province of Ontario, as all the hon. members know, there are certain hunting laws. There are hunting seasons, generally of one or two weeks' duration depending on the territory and the deer population. In Grey county, the home of the hon. Minister of Health (Mr. Phillips), there was no deer season last year at all and yet on Griffith island, part of the county of Grey, owned by a wealthy corporation, there is hunting 365 days of the year.

Let me be fair about it. There have been a certain number of deer imported from the United States and put on the island. The officials of The Department of Lands and Forests say that, inasmuch as the deer are imported, they should be allowed to shoot them whenever they wish.

But the point is that the large percentage of the deer on the island are our deer, owned by the people of the province. They swim to the island from the mainland, and the proof of this is in the fact that the other two islands have a deer population, too. Obviously, they swim from the mainland and, in fact, are often seen by local residents doing so.

Let us look into the injustice of this situation. On the Bruce peninsula an inhabitant whose children are not starving, but may be a bit hungry for meat, would be heavily fined or imprisoned if he were caught shooting deer out of season. On Griffith island in Grey county, where there was no open season last year, deer could be shot every day by members of a wealthy corporation. And many were shot.

Some are sent by air from the Wiarton airport to different parts of the United States. As a matter of fact several years ago the game warden, who did not know or understand the set-up, seized several deer at the airport from these gentlemen but a telephone call to Toronto soon remedied the error and they were allowed to be shipped out. Where is the justice in this? Is this perfect government?

For the benefit of the hon. members present, I will tell you that there are 3

other such areas in Ontario. Two of them are islands and one is on the mainland surrounded by a high fence. Every one is owned by men of wealth or importance.

I will just mention one of them, a man who only a short time ago, whether he said it with intent or not, nevertheless made the statement that he did not want a Britisher on one side or a Frenchman on the other of an American soldier in the Middle East. The man who said it, and the man who has the protection of this government to shoot deer at any time of the year on an island he owns in this province of Ontario, is John Foster Dulles, Secretary of State for the United States.

Such is the information that I have been given by officials of the Department of Lands and Forests.

Mr. Speaker, I suggest that there be not one law for the rich and one for the poor in this province. Let these people obey the same laws as the other visitors or residents of this province have to do. Let us not have situations arise where certain people can be invited at any time to visit a 3,000 acre island to shoot a deer. Let us not allow a message to come through from the United States with instructions to kill a deer and ship it to Cincinnati, or some other American city, because some mighty gentleman in the General Motors Corporation desires the taste of venison. I hope that this government and the hon. Minister of Lands and Forests will correct this situation immediately, because the government that allows these forms of injustice is sitting directly opposite to me now.

I now wish to direct the attention of hon. members to the Hydro-Electric Power Commission of Ontario. It is a vast and huge organization run by a commission and, of course, controlled by the government who appoint its commissioners. For an opposition member to investigate it is almost impossible, so huge is the enterprise and, as it is a commission whose money is not voted by this assembly and whose intri-

cate system of financing and operations are not managed by this body, a complete examination of it is not possible for any layman.

In my remarks dealing with the subject this afternoon, I will use as my reference the *Annual Report* of the Hydro-Electric Power Commission of Ontario for 1955 and for previous years. Unfortunately, it is impossible to discuss the operations for 1956, as the financial statement and the report are not yet printed. The figures that I will use are theirs, audited by themselves, and are correct in every detail.

My reasons for discussing this huge business, with assets of \$1,788 million, with total gross revenue for 1955 of \$165,832,000 and a total long-term debt of \$1,208 million — my reasons for discussing it come from the suggestion of the hon. member for York South (Mr. MacDonald) that a certain gas company become publicly owned, such as the Hydro-Electric Power Commission of Ontario now is, with the thought in his mind that, as such, cheaper gas could be sold to the consumers.

When hydro, under the leadership of Sir Adam Beck, became publicly owned in 1906, it marked a great step towards the development of this industrial province. It was founded with the basic principle governing its operations that hydro be sold at cost. In fact, in the 1955 *Annual Report*, is the following statement as it applies to today's operations:

The basic principle governing the financial operations of the undertaking and its associated municipal electrical utilities is that electrical service is provided at cost.

Mr. Speaker, I propose to prove this afternoon that this statement is without validity, and has reached the point where it is an absolute fallacy. I hope to be able to take you slowly and surely, using only the commission's own figures, to investigate it and to prove this point.

The financial features of the system involve two distinct phases of operation

and are as follows. I quote from the *Report's* own words:

The first phase of operations is the provision of electricity — either by generation or purchase—and its transmission, and delivery in wholesale quantities to municipal electrical utilities, certain large industrial customers, and rural operating areas. This phase of operations is performed by the Hydro-Electric Power Commission of Ontario.

The second phase is a retail operation. In most cities and towns, and in many villages and certain township areas, retail distribution of electricity is conducted by municipal commissions under the general supervision of the Hydro-Electric Power Commission of Ontario, as provided for in The Power Commission Act and The Public Utilities Act. These local commissions own and operate their own distribution facilities.

It is the second phase or retail operation that I propose to discuss, and to prove that the customers of hydro are being greatly overcharged throughout this province. It may well be that some of the examples that I use may be exceptions, that there may be some local reason why the profits of certain public utilities might be very high, but surely this could not happen so often.

Let us look at the little town of Beachville which in 1955 had 275 consumers. Their net profit for the year was \$15,714.21 or an average overcharge of \$57 per customer. Granted some of these customers will be industries which will be paying far more than \$57 as an overcharge, bringing the domestic average down but, nevertheless, the fact will remain that there was an overcharge in Beachville in 1955 of over \$15,000.

Hydro at cost! Don't be ridiculous. Why would the Hydro-Electric Power Commission of Ontario, which controls all rates in the province, keep the rate at Beachville so high? Why should they attempt to create such huge surpluses?

To illustrate, let me tell you that Beachville has no debenture debt, has its

made a net profit, after depreciation, of allowing depreciation of over \$16,000, of \$40,000, with cash on hand of over \$15,000 and bond worth \$5,000. The total cost of hydro for the year 1955, counting power purchased, operation and maintenance administration and depreciation, was \$53,798.11. The total profit once again was \$15,714.21, or a net profit for the commission of over 29 per cent. Not a bad example of power at cost!

But, you may say, this is only a little town, not a fair example. Let us look at the huge city of Toronto. In the year 1955, Toronto had 197,016 users and made a net profit, after depreciation of \$2.5 million, of \$3,523,413.83, or an average overcharge of almost \$18 per customer. The Toronto Public Utilities Commission had a net profit of over 12.5 per cent. Hydro at cost! What does it look like to you?

Kingston with 13,788 users had a profit of \$224,000; Lindsay had 3,497 users with a net profit of over \$60,000; London had 30,022 users with a profit of \$504,000. There are scores of examples.

And now let us look at the consolidated financial statement for the whole of Ontario. In the year 1948, the commission made over \$4 million. In 1949, it made over \$3 million; 1950, over \$5 million; 1951, over \$8 million; 1952, over \$9 million; 1953, over \$11 million; 1954, over \$14 million; and in 1955, with total expenses including over \$7 million allowed for depreciation taken care of, a net profit of \$17,500,086.91, or over 15 per cent. Hydro at cost! Mr. Speaker, my case rests there.

In every other instance of municipal government in Ontario, budgeting for a major surplus is not allowed, and, if a municipality has a surplus, then the tax must be reduced accordingly the next year.

HON. MR. ROBERTS: I would ask the hon. member if he knows what they did with this so-called profit?

MR. WHICHER: It is put into bonds and monies and so forth. It is all in the report, and I would be glad to send it over to the hon. Attorney-General if he would like to look at it.

HON. W. K. WARRENDER (Minister of Municipal Affairs): Mr. Speaker, the hon. member brought up another point last year in respect of Wiarton, and I asked no questions for clarification, because I was not quite sure myself. But I would like to say that, having gone back and looked into the situation and the hon. member himself having looked into it, he knows the answers given at that time were quite reasonable, and explained why there should have been a surplus on that occasion.

In respect of those places, I must admit I cannot give a specific answer to the question he raises now, in respect to Beachville, Kingston, Lindsay or Toronto. However, I think if he looks into it, that being a 1955 statement, I think he will find there is some very good reason why some of these surpluses should be retained in that condition at the present time, because of the rapid expansion going on in some of those places; they are going to need the money.

AN HON. MEMBER: You are not asking a question, you are making a speech.

HON. MR. WARRENDER: I will try to ask a specific question. Has the hon. member inquired of Hydro or anyone in Parliament what the surpluses are going to be used for, probably in the very near future?

MR. WHICHER: Mr. Speaker, in answer to that question, I cannot tell you what those surpluses are being held for, I just bring you back to the point: ever since 1948, and it goes a long way back before that, according to your figures, not mine, we started in 1948 with a net profit of \$4 million, and from there it goes all the way up in 1954 to over \$14 million, and in 1955, to over

\$17.5 million profit or 15 per cent. net profit for an organization that definitely says that our fundamental principle is Hydro at cost.

Now, I ask the hon. Minister, what is he going to do? I think the question should come from me to the hon. Minister. What is he going to do? That is what I want to know. I suggest lowering the rates.

HON. MR. WARRENDER: Mr. Speaker, if the question is now directed to me, and if I am not going to be accused of making a speech, I will try to answer that, in part, but I do not have the details here.

But I say to the hon. member, there is probably a very good reason for those surpluses, and probably a very good reason for the profit building up in that same period. If he will mention specific cases, I think he will find the so-called profit in respect of those places for a certain year have now been eaten up or eaten up many years before now, in the expansion which has taken place in those areas, from time to time, which covered not only the cost of transmission lines, new substations, generating stations and so on. All of that new equipment, all those new lines were required to serve a rapidly-growing population in those areas.

MR. WHICHER: I agree with what the hon. Minister says, except for this: In every other form of government, for example, a school, or a new church, we do not try to finance these things right off the bat; we float debentures and handle it in that way, but in many, many instances throughout the province, they are trying to accumulate enough bonds in Hydro to float a new building immediately, and the people now are paying for those benefits in the future. I will carry on from there.

So says The Municipal Act. But the same Act not only allows but encourages the building up of huge surpluses on a per capita basis in the Public Utility Commission of this province. If it is right that a new school

should be financed as a capital expense over a period of years, then it is right that hydro commissions should finance the same way and not overcharge people in order to create money to pay rightful capital projects immediately.

Yes, it is quite an Act that allows such things to happen. It protects the Hydro-Electric Power Commission of Ontario and the utility commissions set up under its jurisdiction, and forgets about the people who are being overcharged.

HON. MR. WARRENDER: While the hon. member is consulting his notes, I would like to say there is a committee on boards and commissions set up each year. The hon. member was present last year. At that time, I have no doubt, he will be given an opportunity to ask all those questions, and I think will be given satisfactory answers.

MR. WHICHER: I might point out to the hon. Minister, when I was talking last year, I was using the 1954 figures. Now, it is the 1955. I thought it was going to be corrected and it has not. The surpluses are accumulating more and more all along the line, and I really do suggest when there is a net profit, according to this, after allowing for depreciation, debenture retirement, and every imaginable cost that is possible, according to the very good auditors of Hydro, and there is still a net profit of 12.5 per cent., it is certainly an overcharge and does not bear out the policy of Hydro at cost as intended when they set out in 1906, and this is re-affirmed in your own book, in the report for 1955.

MR. DOUCETT: What about the post office?

MR. WHICHER: We will come to that. The post offices are being looked after this year.

AN HON. MEMBER: I want the liquor store to be looked after this year.

MR. GRAHAM: Mr. Speaker, may I ask the hon. member a question? Has the hon. member checked to find out whether or not the Bell Telephone are paying property taxes to the municipalities?

MR. WHICHER: I might answer this—I would be glad to check that, but in the few instances I am referring to, they are on rented property and paying rent, and I would say that is paying a property tax.

MR. GRAHAM: I believe two years ago the federal government passed a law relieving the telephone company from paying property taxes.

MR. WHICHER: Mr. Speaker, all I know, in this particular instance, they are certainly paying a good rent.

For just a few minutes let me direct your attention to another injustice allowed by The Municipal Act, in this case against the municipalities. I have not time to discuss the plight of these municipalities. Even the speech from the Throne admitted that they needed help—cities, towns, villages and townships created not by the federal government or that of England or France but by the government of Ontario. Under the British North America Act they are this government's responsibility. I will discuss that later when the estimates are presented but, for the moment, let me show hon. members one instance in which The Municipal Act is grossly unfair to some of the municipalities now.

I refer to its protection of the Liquor Control Board of Ontario.

For comparison, I am going to take a great Canadian company, above reproach, which has always attempted to be fair and pay its way, the Bell Telephone Company. My accusation is that the Liquor Control Board of Ontario is protected by The Municipal Act for the benefit of the province which created it, and to the detriment of the municipalities as far as business tax is concerned. For any of the hon.

members who may believe that I am prejudiced when I inform them that I am using as municipal examples two towns from my own riding, I say this. I am willing to compare any town in Ontario where there is a liquor store and a Bell Telephone office.

In the town of Southamptton, in the year 1956, the Bell Telephone Company with a very small office paid \$1,063.86 in business tax, whereas the Liquor Control Board of Ontario paid \$123.75. In 1955, the Bell Telephone Company paid \$871.73, and the Liquor Control Board of Ontario \$98.40. In 1954, the Bell Telephone Company paid \$1,122.85, and the Liquor Control Board of Ontario paid only \$108.57.

In the town of Wiarton in 1956, the Bell Telephone Company paid \$1,427.46, and the Liquor Control Board of Ontario \$72.88. In 1955, the Bell Telephone Company paid \$1,695.48, and the Liquor Control Board of Ontario, \$44.20; and in 1954 the Bell Telephone Company paid \$1,612.23, but the Liquor Control Board of Ontario paid only \$44.20.

In each instance, the Liquor Control Board of Ontario occupies premises several times greater than does the Bell Telephone Company. Why then should the Liquor Control Board of Ontario, which no doubt is providing a service for many people, but not one percentage point as necessary as the Bell Telephone Company, why are they privileged in this way?

The answer, Mr. Speaker, is that they are favoured by our Municipal Act. In chapter 24 and under section 6A, it sets out the percentage of land and building assessment which certain businesses can be rated for business assessment. In the case of a liquor store it is 60 per cent. of this valuation.

On the other hand, section 7 provides for the assessment for business purposes of telephone or telegraph companies as 60 per cent. of the gross receipts. The Bell Telephone Company submits to each municipality an affidavit of the previous year's gross earnings and the amount taxable under section 7.

This, Mr. Speaker, is a glaring example of the discrepancy in our municipal tax set-up. In 3 years in Wiarton, the Bell Telephone Company paid in business tax, \$4,735.17, and the Liquor Control Board of Ontario only \$161.28.

MR. W. H. COLLINGS (Beaches): Mr. Speaker, I wonder if the hon. member would allow a question? Would a comparable business property in Wiarton, in any business block, pay a similar business tax as the Liquor Control Board of Ontario?

MR. WHICHER: Mr. Speaker, I may have mistaken the question, but my point is that I believe a big organization, making huge profits such as the Liquor Control Board of Ontario, should be on a comparable business assessment to the Bell Telephone Company of Canada.

MR. COLLINGS: Would you put the Liquor Control Board of Ontario on a different basis than any other merchant in the town? That is to say —

MR. WHICHER: I would put it on the same basis as the Bell Telephone Company.

MR. COLLINGS: The hon. member has referred to business tax on sales. Is there any business in the town of Wiarton that pays business tax on sales?

MR. WHICHER: The Bell Telephone Company.

MR. COLLINGS: Let us leave the Bell Telephone Company out of it for the moment.

MR. WHICHER: But I don't want to leave the Bell Telephone Company out of it.

MR. COLLINGS: But to the hon. member's knowledge is there any other business?

MR. WHICHER: Yes, Canadian National Telegraphs.

MR. COLLINGS: I beg the hon. member's pardon?

MR. WHICHER: Canadian National Telegraphs pay on the same basis as the Bell Telephone.

MR. COLLINGS: But both the utilities the hon. member speaks of have all of their lines all over every street.

MR. WHICHER: That is very true; but they only pay business tax where there are houses, they don't have to pay out of the township.

MR. COLLINGS: I might say to the hon. member, through you, Mr. Speaker, that we pay the business tax bill that is submitted to us by the municipality.

MR. WHICHER: That is correct; there is no question about that at all. The hon. member pays the bill submitted to him by the municipality under the direction of The Municipal Act.

The point I am endeavouring to make in my submission to the hon. members of this House is that it should be on the same basis as the Bell Telephone Company and no doubt the hon. member for Beaches would pay that bill, too.

MR. COLLINGS: We pay it in our assessment.

MR. WHICHER: That is right, but I say that it is assessment on a comparable basis to the Bell Telephone Company.

MR. MACAULAY: Is it not so that the Bell Telephone has many town wires under and over streets? They have them all over the place. How could the hon. member for Bruce compare the assessment of a company such as the Bell Telephone Company with a service where there is just one outlet? Perhaps where an assessment is quite comparable—

MR. WHICHER: I can compare them certainly on a financial earnings for one thing.

MR. MACAULAY: We don't pay taxes on the basis of financial earnings.

MR. WHICHER: The Bell Telephone Company does.

MR. MACAULAY: Across the table the municipality is not on the same basis.

MR. WHICHER: They pay on an assessment of their gross earnings.

MR. MACAULAY: If the hon. member wants to win his point he may proceed.

MR. COLLINGS: Will the hon. member allow me to put another question? The question of the Bell Telephone is now set up under federal legislation. Do they not have a tax exemption over a certain amount?

MR. WHICHER: The Bell Telephone business tax is set up on provincial taxation in this province of Ontario, under, I quoted the section there, whatever it was—section 7 of The Ontario Municipal Act. That is what I said.

MR. COLLINGS: But the limit may be set by the federal people.

MR. WHICHER: I will proceed from here. In every municipality of Ontario the comparison is similar. Why, Mr. Speaker? Is it because the net profits of the Liquor Control Board of Ontario last year were only \$50.7 million? No, it is because the government wants all the money down here; \$50.7 million is a great deal of money. As a matter of fact, the government budgeted for only \$38 million; they were just \$12.7 million under that amount and on the right side of the ledger for them, too.

The appeal that I am going to make now will be to no avail. I tried last

year. It fell on deaf ears but I must try again.

I appeal to every hon member in this House, Conservative, CCF and Liberal. Let us get together and help the old age pensioners with this added money from liquor profits.

Several passages of Scripture have been quoted in this House since the session started. I suggest that "Honour thy father and thy mother, that thy days may be long upon the land which the Lord thy God hath given thee," is one of the more important phrases and pieces of advice in the whole Bible. Mr. Speaker, the old age pensioners are our fathers and mothers.

If it were possible for an opposition member to present a private bill involving the spending of government money, the hon. members may be sure that I would have one in now for a supplementary allowance of at least \$20 per month for every old age pensioner in Ontario who needs it. I defy the hon. Prime Minister to let the question come to open debate in the House and then to have a free vote. Ninety per cent. of the Conservative hon. members of this House believe that something should be done to ease their problem, but their hands are tied.

The facts are irrefutable. Alberta, Saskatchewan and British Columbia now pay supplementary allowances where they are needed—

HON. MR. PORTER: Only with the help of the municipalities.

MR. WHICHER: What is wrong with that?

But Ontario, the wealthiest of all the provinces, pays supplementary allowances to approximately 4,000 out of 300,000 pensioners, and then only if the municipalities will assist.

Why is this? There is only one man in this province who is stopping them from getting assistance, and that is the hon. Prime Minister. With his position and the prestige which he holds in his own party, he could sell the idea and

put it through this legislation in 5 minutes. But last year in this House the hon. Prime Minister stated that a means test was too much bother for him.

How much blunter can I get? The charge is here: the hon. Prime Minister of Ontario is the only man in Ontario holding up assistance to the old age pensioners. Let him prove otherwise.

THE SPEAKER: Order.

MR. WHICHER: Mr. Speaker, I am coming now to my last subject. It is brought about by the very fine speech delivered in this House by the hon. member for Riverdale (Mr. Macaulay). It showed a great deal of preparation and a vast knowledge—a lot more than a lot of the hon. members possess.

Today I wish to show hon. members the other side of the story and why I believe that for this year, at least, this government has enough money and that there is no necessity for any increase in taxes. I wish to remind the hon. members that this is an important and intricate subject, and I ask hon. members for their attention in order that I can properly explain my case, and so come to what I sincerely believe to be a logical conclusion.

Firstly, may I refute the point made by the hon. member for Riverdale, that we are getting like federal Liberals sitting over here? I don't blame him for hinting at it. In fact, looking over some of the things that I have said, I think that there was some justice in his accusation, in that I, personally, perhaps, have not taken a firm stand in the matter.

May I state it now? Just as much as any hon. member in the House I represent an Ontario riding, and in my remarks on the subject I will constantly have this fact in mind. I am going to "stick up" for the people of Ontario, but that doesn't mean that I must roll over and "play dead" to the government opposed to me.

There isn't any doubt about the dispute. The federal government say that

they have given a fair offer: the government of Ontario says that they have not, claiming that, inasmuch as the federal government are responsible for the collection of almost half the corporation and income taxes for all of Canada, they should get much more in return.

The hon. member for Riverdale suggested that Ontario is responsible for the collection of over \$1.1 billion in corporation and income taxes, and, inasmuch as it is being offered only \$213.5 million in return, it looks like a very bad bargain.

If this were the whole story, I would agree with him. I repeat: If this were the whole story, I would agree with him.

In quoting these figures of \$1.1 billion the government of Ontario is trying to insinuate that Ontario should get credit for all of the money. As all of the hon. members know, in the provinces of Ontario and Quebec are situated most of the large head offices of the huge financial corporations of the country. Particularly is this true in Ontario, with hundreds and hundreds of head offices being situated in Toronto.

Mr. Speaker, here is the situation. Let us take a large insurance company such as the Canada Life. They do business all over Canada. All of their profits are funnelled into Toronto, and the corporation taxes are paid from here as a credit to the province of Ontario—

HON. DANA PORTER (Provincial Treasurer): That is not so. They are not allocated in that way. They are allocated according to where the business is done.

MR. WHICHER: I did not say they were allocated that way. What I said was that in the \$1.1 billion of corporation and income taxes credited from the province of Ontario, that part of that money is in that \$1.1 billion.

MR. MACAULAY: But no greater proportion than the amount of business done in this province. The corporation taxes of the companies are charged to this province on the basis of the business done in this province.

MR. WHICHER: Only at the rate of this money are they charged. That is, the \$213.5 million.

MR. MACAULAY: We are talking about the credit we are given, which is where it is raised. I am saying that Ontario is credited with raising so much corporation tax, and it is done on the basis of business done in Ontario and that is the fairest way to do it.

MR. WHICHER: I agree with the hon. member for Riverdale that it is credited to Ontario, but in the \$1.1 billion—that does not mean that it is earned in Ontario. It is collected in Ontario. Am I correct? Absolutely correct, I believe?

MR. MACAULAY: I do not follow the hon. member at all. I am not being critical. I just do not follow the hon. member.

MR. WHICHER: I hope all the hon. members will appreciate that it is a difficult subject.

I shall continue: All of their profits are funnelled into Toronto and the corporation taxes are paid from here as a credit to the province of Ontario—

HON. MR. PORTER: No, no.

MR. WHICHER: I apologize to the hon. members of this House if I am a little off there—if I am.

HON. MR. PORTER: The hon. member is attempting to give a picture to this House whereby—

MR. WHICHER: The hon. Provincial Treasurer does not know anything about the picture unless he has better glasses than I think he has.

HON. MR. PORTER: I am the one who is listening.

MR. WHICHER: Well, I suggest the hon. Provincial Treasurer just listen.

HON. MR. PORTER: But I say the hon. member is giving an entirely false picture of—

MR. WHICHER: I don't think the hon. Provincial Treasurer should tell me anything about false pictures, because he is certainly a master at it.

HON. MR. PORTER: I do not know what the hon. member has in mind.

MR. WHICHER: I do not know what the hon. Provincial Treasurer has in mind.

I have on my desk financial reports from many large corporations. For example, the Canada Life paid \$792,000 corporation tax to Ottawa last year from Ontario, even though only 55 per cent. of its premium income came from Ontario. The Toronto-Dominion Bank paid \$3,220,000, but they have 181 branches outside of Ontario compared to 284 branches in Ontario. The Canadian Bank of Commerce paid \$7,232,266, and they have 329 branches in Ontario and 425 branches in other parts of the country.

The Imperial Bank paid \$2,290,000 corporation tax. They have 159 branches in Ontario and 125 outside. The Bank of Nova Scotia paid \$1,900,000 corporation tax with 186 branches in Ontario and 285 outside.

Let us take another case, Noranda Mines have their head office in Toronto. Their corporation tax is paid from Toronto, credited to the total of Ontario figures, yet their mine is not even in Ontario.

The story may be repeated time after time: firms like the T. Eaton Company, Simpson's, General Motors, Ford Motor Company, many paper companies such as Abitibi, gas and oil firms of which there are 6 major ones with head offices in Toronto, breweries, air lines, food producers and corporations of every type who do business all over Canada but whose head offices are in Toronto.

I say to the government, is it really fair that it should take credit for all of these taxes when they are earned all over Canada?

HON. MR. PORTER: I can assure the hon. member that we do not take any credit at all. The hon. member has not presented this in the true light at all.

MR. WHICHER: Is that so? Well, I am so used to things being represented in the wrong light here that perhaps I am a little biased.

I suggest that only one-half of the corporation taxes collected in Ontario could rightfully be regarded as being earned here.

That makes the \$1.1 billion a little smaller, doesn't it? Out of the \$521 million collected in Ontario I would suggest that at least \$200 million is not earned here. At least to be fair we must say that the figures of well over \$1 billion will be brought down to well under \$1 billion rightfully earned in corporation and income taxes from the province.

The hon. member for Riverdale at least attempted to leave the impression that we are only getting \$213.5 million back from the federal government. As far as the tax agreements go he was absolutely right. But these income and corporation taxes are used for much more than to pay back tax rentals. Let us look at some of the things:

Family allowances	\$116,604,000
Old age security	134,644,000
Jobless insurance	15,000,000
Old age assistance	4,918,000
Blindness	609,000
Disability	1,712,000
Health	9,156,000
Veterans (P & WVA)	60,000,000
Veterans' hospitals	20,000,000
Tax agreements	213,500,000
University grants	2,600,000
Total	\$578,743,000

Mr. Speaker, there are many, many more benefits which we derive from the federal government. Of all the extra benefits that we get I will mention just one.

The Department of National Defence in Ottawa will spend this year \$1,775

million. Let me ask you how much is Ontario's share? We have an obligation to the whole country to protect our shores from the possibility of any foreign invader.

If we were ever bombed, Mr. Speaker, would the first target be the wheat fields of Saskatchewan, the Rocky Mountains of British Columbia, or the industries of Ontario? We all know that Metropolitan Toronto, Hamilton, Niagara Falls, Sault Ste. Marie and others are the places where the bombs would fall. Oh, yes, there are many things that the federal government have to pay for besides tax rentals, and we as residents of Ontario and citizens of Canada must pay our share.

Naturally, as an Ontario Liberal, I want this government to get every nickel out of Ottawa that it can but, tell me, as citizens who have to pay the taxes anyway, what difference does it make whether we pay them to Toronto or Ottawa?

Let us look at these tax agreements. The hon. member for Riverdale told us, and the hon. Prime Minister has been crying for years, that we are unfairly treated. Let us look at the net offer to all of the provinces including the equalization grants to them, the stabilization part and the rental itself. The answer is in the "estimate of the operation of financial arrangements under proposed Federal-Provincial Tax Share Act for the fiscal year 1957-1958" as tabled by the hon. member for Riverdale. Per capita every single province except the province of Ontario gets \$38.20; Ontario gets \$38.75. What can be more fair than this, as far as comparisons go?

Added to this truth is the knowledge that the federal government has left the two per cent. insurance premium tax to the provinces. Ontario will get \$10,170,000 from this, much more than any other province. The net result is that, with the insurance premium added to the total tax rental proposal, Ontario is the highest per capita recipient with \$40.60 each.

MR. MACAULAY: And the highest debt, too, because they have not gone ahead and levelled taxes to make money.

MR. WHICHER: In a percentage increase per capita from the 1952 agreements, we are second only to Quebec with an increase of 24.8 per cent. while Quebec's increase is 26.8 per cent. Are we really being treated so badly?

The hon. member for Riverdale certainly went on record as being in favour of equalization grants, and I believe the hon. Prime Minister is, too. They possess one of the finest objectives that one could find in any piece of legislation whereby the "have-not" provinces are given special equalization monies by the "have" provinces. The principle is found in the theory under which the United Nations is supposed to work, whereby rich countries, such as the United States and Canada, help the Asiatic nations to become educated and mechanized. In theory, too, it possesses the thought of the Golden Rule.

But my conclusion in this regard is as follows:

If the hon. Prime Minister believes in equalization grants in the higher forms of government, then he should believe in them on a municipal level whereby some of the poor, unfortunate municipalities of this province are brought up to the levels of the higher ones. Do the hon. members honestly believe that such equalization is now in effect? It is not.

Without prejudice to our Toronto hon. members, for whom I have the highest respect, I suggest most emphatically that real estate taxes on a value basis are much higher elsewhere in the province than they are in Toronto, and do not possess nearly as many services. I will quote one example.

The other day a well-known Toronto man told me that the taxes on his \$30,000 home were \$400. The taxes on a \$10,000 home in Bruce county are

approximately \$175. And yet, the government insists on subsidizing this great metropolis of wealth in Toronto by giving them unconditional grants of \$4.00 per capita while the basic rate in other parts of the province is \$1.50 per capita. I suggest that the name "Unconditional Grants Act" should be changed to the "Conditional Grants Act", conditional, of course, on whether or not one lives in Toronto.

Mr. Speaker, Ontario will never become great that way, not if the old story that "a chain is as strong as its weakest link" is true. Toronto, which possesses such great head offices and industrial assessments, keeps the benefits of all of the taxes despite the fact that these industries service the whole province.

As an example, the real estate and business tax on the head office of the Canada Life Building in Toronto is \$248,000; only one-half of its Ontario business is done in Toronto but the city derives the full benefit, particularly do I refer to its business tax. The real estate and business tax of the general office of the Bank of Nova Scotia here in Toronto is \$590,000.

I repeat, if the hon. Prime Minister and the government believe in equalization taxes in the provinces, then they should believe in them municipally, so that the smaller and less financially secure communities can have the services that are given in the larger centres, particularly paved streets, sewers, beautiful schools and parks and the many more things that we cannot offer. If some system is not derived to help decentralize and open up the rest of the province, in 25 years who is there to say how large Toronto will be? Surely it is large enough now, particularly for people who have to drive a couple of hours a day getting to and from their places of business.

We, on the other hand, in the smaller places do not necessarily wish to become any bigger; we only wish to be better and, by becoming better with more roads and more services, we can help to draw

some industry that is now coming into this province into the smaller centres.

But to get back to the tax rentals, and why I believe that this province does not need to raise its taxes for this year at least. Firstly, however, my general conclusion is this. If the other provinces get any more from the federal treasury, then we must demand our share. But as we are the highest per capita recipient now, how can we possibly ask for more without, at the same time, getting more for the other provinces? If the federal treasury has a surplus of any account, let them help the old age pensioners of this province and others. Certainly, this government is not helping them. Or, on the other hand, cut the taxes. Mr. Speaker, is there anything wrong with cutting the taxes?

MR. MACAULAY: Yes, there is.

MR. WHICHER: The provinces then can tax themselves for their legitimate needs. On the budget debate I will go into this subject much more thoroughly.

HON. MR. PORTER: That is all we have been asking the federal government to do, to cut the taxes so we can have our fair share. That is all.

MR. WHICHER: Now, in conclusion, let us look at the extra taxes to be collected in this province for the coming year compared to those collected last year. If this province signs the tax rental agreement it will collect an extra \$53 million. The two per cent. insurance tax is worth another \$10 million. The normal increase in liquor and gasoline revenues to the province are worth \$10 million each. I have heard rumours too that there will be another \$10 million coming to the province in extras that they will probably "wangle" from the federal treasury.

This totals \$93 million that the revenues of this province will have gone up in one year or an increase of at least 20 per cent. in general revenue. This increase comes from the people,

and I suggest that a 20 per cent. increase in any one year is enough even for this government to be able to handle.

How about the future? If we, as people, go on constantly demanding more services, then we must be ready to pay for them. For this reason, like the hon. member for Riverdale, I respectfully submit that this government should not sign the tax rental agreement as presented by Ottawa as far as the corporation tax goes. The agreement is for 5 years, and I can certainly see that before 5 years are up, this province will require more money. The large corporations are a good place to get that money because they are the only ones who have it in great quantities.

Therefore, Mr. Speaker, my recommendation is that this government sign the agreement only so far as the succession duty and income tax clauses are presented. We in Ontario, whether we are Conservative, CCF or Liberal, must think of our own people.

MR. MACAULAY: Mr. Speaker, may I ask the hon. member a question? The hon. member has added \$53 million under the tax agreement to the \$10 million under the tax on the insurance premium which brings them to \$63 million. Then, he added \$10 million which he thought would come from increased liquor and some other sources.

MR. WHICHER: Ten million dollars for liquor and \$10 million for gasoline tax; \$10 million each.

MR. MACAULAY: Just by the normal increment of more people, I think that comes to about \$93 million.

MR. WHICHER: That is right.

MR. MACAULAY: Can the hon. member tell me this, can he say therefore that \$93 million is enough, and that we do not need to raise taxes without looking at the other side of the ledger as to the things on which we have to spend money? This is a subject upon which the hon. member was peculiarly silent.

HON. MR. PORTER: Oh no, he wants us to spend money.

MR. MACAULAY: The hon. member says we do not need to raise more taxes.

MR. WHICHER: I beg to differ there; I did not say that you should not raise more taxes. But I suggested for this year a \$93 million increase was enough, and I left myself quite open, as you did yourself, when I said this government in my opinion should not sign the tax agreement as far as corporation taxes go, because it may be necessary — and I believe it will be necessary—before a 5-year period is up, that the corporation taxes will have to be increased in this province.

My submission is, and I believe, the \$93 million increase in any one year in this province is enough, it is a 20 per cent. increase in the amount of money coming into this treasury. What do you want me to say, you should have another \$93 million?

MR. MACAULAY: You cannot just say a 20 per cent. increase in revenue is plenty if we have a 40 per cent. increase in expenditure, and that is what we have. Did the hon. member not hear the pearls of wisdom—

MR. WHICHER: I certainly did hear those pearls of wisdom, but the hon. member was quoting up to 20 years ahead, and I am talking about this year.

HON. MR. PORTER: Mr. Speaker, perhaps in a few days' time, the full position will be before the House.

MR. OLIVER: Mr. Speaker, I would like to say that so far as we are concerned, the position is clear now, and it will become clear to hon. members on the other side shortly.

MR. W. J. STEWART (Parkdale): Mr. Speaker, first I wish to express to you my appreciation for the very impressive manner in which you daily

deliver the prayers in this House, particularly in your special prayer for Her Majesty the other day.

I would also like to congratulate the hon. member for Lambton East (Mr. Janes) in his chairmanship of the committee of the whole House, and also the mover and seconder of the address on the speech from the Throne.

I have a few comments I would like to make this afternoon on matters I believe to be of public concern, and I will start with the hospital plan. I would like to express my appreciation and admiration for the continued interest and the constructive leadership of the hon. Prime Minister (Mr. Frost) in this matter.

A great deal of confusion exists in the minds of the public today as to the difference between hospital insurance and health insurance, and I think something should be done to clarify this as early as possible.

On numerous occasions we have heard criticism of both the federal and provincial governments in their slowness to take action to bring hospital insurance into effect. May I say we should always remember the "assimilation of good is a slow process."

I have had substantial citizens, good thinking people, come to me and express a great deal of concern and wonderment about the whole scheme of hospital insurance, so, everyone is not clamouring for it. Some people who have not all the facts, as we have here, to the same degree, fear we are making a great advance into what has been referred to as the "welfare state."

Therefore, I repeat, I believe clarification of the proposed plan is essential in many phases. We always have with us a great number of people who, improperly, imagine they are really going to get "something for nothing." We all know better than that. Marked progress has indeed been made by this government as to hospital insurance which, I believe, in the very near future will become a fact.

I will be glad to learn from my friend the hon. Minister of Health (Mr. Phillips) as to what progress is being made through the grants made by this government regarding the study of the nation's greatest killer, heart disease.

The hon. Minister is not in his seat so I will not develop that question further.

I would like, at this time, to pay tribute to my friend, the hon. Minister of Public Welfare (Mr. Cecile). I wish to say that at all times the department is giving prompt and courteous assistance to applicants. There is a very co-operative attitude with a wealth of human understanding. The hon. Minister is also known for his humanitarianism and leadership. I have in my hand an extract from the *Globe and Mail* of Friday, December 21, 1956, which says:

The Welfare Minister announced yesterday his department will turn to newspaper advertising in the placement of children for adoption. It will be tried as an experiment in the beginning of the new year. It is a novel venture untested in any other jurisdiction, but Mr. Cecile has great faith it will produce results.

Mr. Speaker, I was surprised to learn that in this province there are 15,000 children in public care. That is, they have been placed in foster homes. Of this number, today, 1,500 at least, are available for adoption.

I wonder if the hon. Minister could not carry this scheme of his even into the institutions, because this means a great deal, not only in dollars and cents, the care of the 15,000 wards costing the municipalities and the province between \$8 and \$9 million a year. Of this amount the province pays 25 per cent. and the municipalities pick up the remaining 75 per cent.

Children, 1,500 in number, ranging in age from 4 to 16 years, are available for adoption. We have a number of people going to the children's aid and other places, trying to adopt younger children, anxious to have children where

they have not any of their own, and in some cases where they do have children of their own. Is it not strange to realize that, with all this shortage for adoption which we are supposed to experience, we have an increased population in our orphanages?

I wonder if the hon. Minister would give consideration to extending this plan of adoption into the institutions? Not only would it mean a great saving in dollars and cents of those \$8 or \$9 million a year to the people of Ontario — and that is very important — but no one can measure in dollars and cents the contribution that would be made to building citizenship if these children were taken into homes where they will have some love and affection and the environment of home life, home training and discipline.

The hon. Minister has invited the people of Ontario to adopt these children from 4 to 16 years of age. Mr. Speaker, I respect you not only as Speaker of this House and a colleague, but you are a man of the cloth, you could give leadership, and I appeal through you today to the men of the cloth, ministers, priests and rabbis. Why not get together and proclaim what is to be known across the land as "Children's Day"?

We have Mother's Day, we have Father's Day — yes, commerce has invaded the field and detracted to some extent, nevertheless the spirit is there and a great purpose is served. Why not have a Children's Day and preach in every synagogue, temple and church the importance of contributing to the welfare of these children who have no parents or have no home?

Why not bring them into home life, with the guidance of parents, under family environment? I think this would be a great addition to the welfare of our country and would certainly be a marked step to preventing the onward march of juvenile delinquency. It would certainly be an offset to the necessity for continuing training schools and later having boys and girls emerge from there to become inmates of our reformatories.

The hon. Minister of Welfare also has under his administration what we have referred to as old age pensions. I do not like that appellation, "old age pensions." A great many people are being forced today into retirement long before their days of usefulness have ended.

I note with a great deal of interest and concern that hon. members of the federal government of all parties, like hon. members in this House, have declared themselves unalterably in favour of increasing old age pensions, and the humanitarian record of this government in leadership for the welfare of people convinces me beyond a shadow of a doubt that if the federal government will give the commitment and increase pensions, I am sure this province will follow along and match them dollar for dollar.

I would like to see some change in the appellation "old age pensions", they should not be referred to as old age pensions, they could have some term of security. We should adopt some plan of security and replace that phrase "old age pension."

Mr. Speaker, may I say a hurried word about highways. We have daily ever-increasing evidence of an earnest, sincere and effective endeavour to increase the efficiency and the operation of that department. I suggest, Mr. Speaker, that the facilities might very well be increased in these larger centres of population to provide easier registration of motor vehicles and the obtaining of licences. Also, consideration might well be given to locating these offices in such a way that parking space can be found by people trying to buy a licence instead of having the experience of buying a licence and getting a ticket for parking at the same time.

Possibly this is purely a matter of civic by-law and does not concern The Department of Highways, but I cannot help noticing the congestion of traffic on the streets. There are the parking meters, and we find ourselves going along in a line of traffic and have to stop because someone up ahead is double parked,

waiting for a chance to go against the traffic and back into a parking space.

I hope the hon. Minister will give some consideration to penalizing these "lane changers" on our highways, they are one of the greatest hazards we have, ducking from one lane to another, cutting in and out.

Perhaps I should address the following remarks to the hon. Minister of Public Works (Mr. Griesinger), because it concerns Queen's Park crescent. A fatality occurred there the other day, and many hon. members will remember that some years ago an hon. member of this House, one of the CCF party, was killed when struck by a car on the east portion of the crescent.

I wonder if we should not invite the city to co-operate with the province in putting underpasses so as to enable people going to and from here, to business, to work in the offices, and people who desire to transact business, to cross with some degree of safety?

I should like also to congratulate the hon. Minister of Public Works on the many fine structures he has succeeded in erecting. In particular, Mr. Speaker, I think we owe it to the staff who work in this building, to recognize and thank them for the splendid appearance of cleanliness which at all times we have about us, and on the courteous manner of the staff in the House and in the departments. It is a marked characteristic of all the service.

I frequently see people, coming here to do business in the building, who have no place to put their car. The civil servants have a problem, and I have had a problem many times in getting a place to park. I have no more special right than anyone else, but I think with the growth of the province and the ever increasing number of people who come here to do business, the public are entitled to a better "break" than they are getting in the matter of parking facilities.

Why can we not make a deal with the city which will provide that the space from the north side of the building, say

to the bandstand, be a parking area for public convenience? There is a civic by-law requiring builders of all new public buildings to provide parking space for their customers. If we are going to support the principle, we might give a good example ourselves.

The hon. member for Hamilton East (Mr. Elliott) spoke the other day about trying to finance the down payment of homes for young couples. This "tight money" policy affects not only younger couples, I think it affects everybody, but more particularly the people whom we from time to time choose to refer in this House as the "little people."

Take, for instance, the man who has to buy a new car to use in his business. With the "tight money", instead of getting 36 months to pay for it, he has to pay it in 24. Where he used to pay \$75 a month for the car, he now must pay \$100. Likewise, when a person purchases a home, he must pay a larger down payment.

Tight money can have a very detrimental effect on the welfare of our people. Hon. members will agree that buying is necessary to keep people employed. Tightening can be carried to the point where people cannot have the money to buy, resulting in a great measure of unemployment existing in the province and the country.

While home ownership in my mind is essential, indeed a basic essential to good citizenship, we find that if people are assisted in getting down payments in order to buy houses, they still have that continuing overhead of maintenance and taxes, and increasing municipal taxes do not create any incentive for people to try to buy their homes.

Many suggestions have been made, perhaps by myself and certainly by others in this House from time to time, about ways and means to accomplish these things. Mr. Speaker, we forget sometimes that all the things which we suggest call for the spending of more money. Then we criticize the debt.

The people whom I have the privilege of representing in Parkdale pay taxes and they all feel they pay plenty. When

I was running in civic elections, a candidate was defeated before he started if he did not include in his platform a "plank of economy." He had to repeat that word and repeat it, "economy."

Mr. Speaker, that word is forgotten. I looked it up in the dictionary to see if it is still there, and it is, but I think we in public life have in many instances forgotten the word "economy."

During the time I had the honour of serving the municipality of Toronto in the depression years of 1930, 1931, 1932, 1933 and 1934, I had the privilege of going to the city of the hon. Minister of Labour (Mr. Daley) and was addressing a service club there. I used a quote which I had picked up somewhere as the cause of the depression, some one had said and I repeated, that the depression was due to the fact of public and private spending of money we had not yet earned, to buy things we did not need, to impress people we do not like.

That is not entirely true, but I think there is some merit in it, and that it indicates a measure of caution about the way we are spending money.

The amount levied as municipal taxes will always be an issue as long as we have to pay. But the public pays the taxes on the 3 levels of government, it is the same group of people and I submit, Mr. Speaker, that there should be an equitable distribution of the responsibility for the assessing of taxes, so that the sources of collection and the sources of levying and the amounts that are levied should be justly apportioned.

"Hidden" taxes which the federal government can apply do not grate upon the minds of the people to the same extent as will an increase in the municipal tax bill. They all realize that, see it and feel it and will criticize it. I think in each level of government there should be a redistribution and a re-allocation of duty so there is an equitable distribution of responsibility in this respect.

Much has been said from time to time in this House with respect to the federal-provincial tax agreement. At present the

amount which the province is reimbursed, I would judge and I have told some people, in a large measure prevents the city councils from reducing their municipal tax bill. Unless the provincial government have more money, this is bound to be true. The expenses keep mounting, and the city councils have to get the money from some place, either out of people who are already being taxed, or by way of rebates, call it what you may, from the provincial government.

Until the province gets a just and fair rental agreement with the federal government, how can it give greater or adequately increased grants to the municipalities?

I was talking to some people on the subject some time ago and I used this as an analogy. The federal government took over our taxing powers for the war — certainly it was the right thing to do, co-operate for the common good in the hours and days of crisis — but the war is over. The federal government doing this is like someone who had a preferential rate of rent for a fixed period. The emergency is over but the tenant still remains in the house and will not get out and will not pay any more rent. Now is that not about the size of the federal-provincial situation? The occupant enjoys all the benefits of increased prosperity, at the old low rental rate.

Mr. Speaker, I submit that home ownership, which is so essential to developing good citizenship, cannot be encouraged if the taxpayer must go on indefinitely paying higher taxes because they do not get back from their provincial government a just and fair share of return of the money they send in the first instance to Ottawa.

On this tax rental agreement, are we to assume that we have got to the point in this country where it must be regarded as morally right because it can be legally defensible? I do not think so, I hope not. The federal government tax agreement policy is responsible for a serious deterioration of moral standards and many of our ideals of citizenship. To repeat the financial inequities of exces-

sive taxation municipally discourages home ownership, and to a very great extent tight money will prevent home ownership, while curtailed provincial aid forces upon the municipal governments the necessity of imposing increased municipal taxation.

While I am discussing matters that pertain somewhat to the federal government, I would most respectfully like to suggest to the hon. Postmaster General that we have many newcomers to our land who are daily forming their impressions of what kind of country this is to live in and what our ideals are. I respectfully appeal to the hon. Postmaster General to cease putting all sorts of objects on our postage stamps. There should be only one picture on them, and that should be the Queen, our Sovereign. The sooner they stop it, the better. There is only one picture which should go on our stamps, and that is the picture of her Majesty the Queen.

I would like to say a word or two for a moment, if I may, on the subject of metropolitan Toronto. The hon. Prime Minister and his government gave outstanding, courageous leadership in bringing Bill No. 80 before the Toronto and York members and eventually this House. I was opposed, definitely, then to amalgamation. I do not know if it is the answer today, but I was convinced then that bankruptcy would be inevitable if we forced amalgamation.

Now the chairman, "Fred" Gardiner, has had a colossal task and has displayed great courage and leadership. I disagree with some of his suggestions, he has been entitled to very sharp criticism, but he has a very contentious task and while, as I say, he is entitled to criticism, I am one of those who believe that he is entitled to a great measure of credit for the job that he has done to date.

I said it took courageous leadership to bring in Bill No. 80. May I ask hon. members to pause for a minute, as I have asked my constituents to do when they get their tax bill and they talk

about Bill No. 80 and metropolitan Toronto and they express criticism.

Stop and think for a minute. What would certainly have happened with the lack of proper sewage disposal, without an adequate water supply, without roads to carry the traffic of this rapidly expanding economy of the province; workers without transportation, increased traffic road hazards, yes, and our health endangered? We might have had many epidemics here, therefore whatever it has cost in dollars is infinitesimal in comparison.

I have heard remarks before by hon. members about Toronto and its taxes. When I had the honour to serve as mayor of the city, I enjoyed travelling across the province, not only meeting people, but trying to convince them and to change their mental attitude, that Toronto is not parochial in her views, that we were not entitled to the appellation of "Hog Town."

We all owe Ontario something for prosperity, and we are very glad to see other parts of the province prosper. I for one would be glad to see some of this industrial expansion go to other parts of the province and our country. I am in favour of a wider distribution of industrial locations and decentralization of population. There are many towns and cities where another 1,000 or 2,000 of population and another industry would be a Godsend, whereas their location in the metropolitan area forces people who live here to drive 20 miles to and from their place of business.

When young couples leave the homes of their parents, where can they buy today? They must go towards and beyond the outskirts. When I started work, I never dreamed of owning an automobile. Today, a man just cannot work and live in and around metropolitan Toronto without owning one. For instance, how is he going to get back and forth to work?

An hon. member referred this afternoon to an owner of a \$30,000 property paying only \$400 taxes. I wish he would come into my constituency and

get the viewpoint of the people there and the taxes they are paying. You know my home, Mr. Speaker, I live in a modest home, it has only a 35-foot frontage, it is not a \$30,000 house, and my taxes are \$400 and more. It seems only yesterday since they have been doubled. We are all paying a pretty fair "shot."

I would like to take you, Mr. Speaker, to meet one of the attendants on the front of this building. He lives close to Toronto, and as hon. members will understand his salary is not exorbitant, and he was complaining bitterly of his taxes of \$375. Come down the street with me and see how many of the people we meet want to pay more taxes; meet anybody, if you can, who thinks they are under-taxed. You certainly will not find one such individual.

The hon. Prime Minister has paid me the honour of naming me as a possible appointee to a committee that he may or may not constitute to study metropolitan Toronto. I submit, Mr. Speaker, it is a very sound suggestion of the hon. Prime Minister to take a look at it. All hon. members in this House created a child. Metropolitan Toronto is our child; I think it would be very wise if we took a look at it and see what kind of child we are raising.

It has been a wonderful experiment, it was a temporary expedient, it was by no means the final answer. If I am accorded the honour of serving with any of my colleagues in this House, I want now to register a contradiction to a newspaper article which stated that I am for amalgamation. I do not know whether or not amalgamation is the answer, but if I do go on the committee it will not be with any preconceived decisions. Never in the case of any committee I have served on in the past has the hon. Prime Minister or any of his hon. Ministers ever attempted to direct the decision. I have been given free, uninterrupted opportunity to express my own opinion and bring in the findings as I saw them.

If I am appointed to the committee, my purpose will be to approach every question with a view to determining what is the most economical, efficient and equitable form of government that can be devised, and to review Bill No. 80 to bring it up to that point. I will not be going there to assist Toronto only, I will be going to see that Toronto gets a "fair shake" and carries its fair share of the load along with the others. I will be going there to represent the people, because after all we are one province and one nation.

As I say, I am not going in with any preconceived ideas or decisions. Amalgamation may not be the answer, but certainly co-ordination of civic functions is essential, and I am one of those who believe it might be a good thing to retain to some degree local governments, to maintain community interest and keep up community spirit, and thus keep alive the spirit of democracy in electing the people who assess the taxes. Retention of the local government, in my opinion, in some form perhaps modified, is most desirable, but certainly there should be only one taxing body. There should not be any duplication.

I have many facts concerning metropolitan Toronto with which I will not take the time tonight to burden the House, but I would like to quote a few figures, if I may.

In 1953, when metropolitan Toronto was born, Toronto had an assessment of \$1,406 million. In 1955 it was \$1,443 million.

Or, in 1953, when metropolitan Toronto was born, the 13 municipalities' total assessment was \$1,680 million; in 1955 it was \$2,573 million.

In 1953, the taxes paid in Toronto were 59.8 per cent. of the total; in 1955 our portion of the metropolitan taxes per capita were \$100.27.

Mr. Speaker, metropolitan Toronto will bear taking a look at. I make allowance for increased population which necessitates additional civic employees, but I find that in 1953 in the 13 municipalities there were 11,115 employees,

and in August of last year there were 11,340 employees. The figures I am now going to give hon. members are for the end of the year, and they do include casual workers but do not include employees of such boards and commissions as the Canadian National Exhibition, the housing authority, the harbour commission, etc.

On top of the increase in the individual municipalities, in August of last year metropolitan Toronto had on its own staff over and above this increase, 2,663 employees, a fairly substantial organization. Now we have 107 local council members and the 22 on metropolitan Toronto, making 129 persons in councils governing metropolitan Toronto, plus 104 on the boards of education.

Therefore, Mr. Speaker, we are in some measure building a pretty good sized competitor to the Legislature of Ontario, with the number of employees and the members of elected bodies. I think it will bear taking a look at, and I heartily endorse the suggestion of the hon. Prime Minister that we should take an unbiased look at metropolitan Toronto and see what the answer is when it comes to amending Bill No. 80.

Hon. members will agree that I have had some little knowledge of striking tax rates, and together with hon. members I have had all the experience I want of endeavouring to pay the tax rates. I think the province has set a good example, and I am sorry the hon. Minister of Municipal Affairs (Mr. Warren) is not in his place, and I think that all sizeable municipalities should be required to change their system of striking the tax rate.

We go to the polls to elect a council. I can today qualify and run for mayor if I am on city relief and if I am elected I can levy taxes, issue bonds and debentures, put the city in debt, pack my carpetbag and move on.

So that is the way it is. We elect a council and they have the right to strike a tax rate, and until they do, they do not know what the mill rate is going to be. The only thing they can do in the

meantime is to make temporary borrowing arrangements, which is a very costly procedure.

I am at a loss to understand why we cannot change that system whereby the board of control now sits down for 3 months' strenuous work, strikes a tax rate, and then tries to shove it through council some day in a couple of hours. Then council are "for it", a person is either for the higher tax rate or must take what he has before him.

The province of Ontario, on the contrary, has an excellent scheme. I understand there is a budgeting committee that sits all year round, never ceases. When the fiscal year ends, they start the first day on the next year's budget.

Why could not municipalities of a certain size be required to have a budgeting committee and go to the people for election on that budget?

I read an article in the *Toronto Daily Star* expounding an idea that I have many times expressed, and that is that people buying National Housing Act houses pay their taxes on a monthly basis. We in Toronto pay our hydro bills on a two months' basis. Why not give the "little people" a chance to pay their taxes, say 6 times a year, once every two months? Why not go to the people on the budget of the previous year, strike it the same, then have the budgeting committee work on it and finally determine what the next year's levy is.

Then when a person is paying his sixth tax bill there is either a minus or a slight increase. I strongly recommend to the hon. Minister of Municipal Affairs that he give some thought to require municipalities of a certain size to have a budgeting committee.

Mr. Speaker, I stood at the foot of this grand staircase some years ago when the then mayor of Hamilton came with many to wait upon the then hon. Prime Minister, the hon. George Henry, and he was going to form this association of mayors and reeves—it was only mayors at the time. When I had the privilege of serving as mayor I always called on the provincial hon.

members regarding everything pertaining to provincial legislation, and called in the hon. federal members, and we sat around the table and talked things over and agreed on what we should or should not ask for.

I have been at different times to the city council, at least once a year, and I have been there when members of council were arguing amongst themselves as to advantages and disadvantages, which convinced me they did not know what they wanted or did not want.

I have no criticism to make of the government or the hon. Prime Minister, but I do make this suggestion most respectfully to the mayors and reeves: after all, hon. members are elected the same as councils are, we represent the people and I think it would be a good thing instead of running around to this hon. Minister and that hon. Minister and then have hon. elected members read about it in the newspapers, why not consult the elected hon. members and let them know what is going on? We are here to serve the people, and are not merely rubber stamps to be taken for granted.

It might be well for mayors and reeves to sit down with their local hon. members and let them go along when the mayor or reeve wants to see the hon. Prime Minister or an hon. cabinet Minister; the hon. members would then know what was going on.

I have no criticism of the government. They ask for an appointment and they get it, but I do appeal to the mayors and reeves that since we represent the people as well as they do, inform us what is going on. Is there any harm in that? I do not like being bypassed.

I would like to leave a suggestion with the hon. Minister of Planning and Development (Mr. Nickle). I think the day is long past due when hon. members can very well sit down and take a look at the planning boards, an appointed body. I have to go on the platform and give an account for every

vote I make in this House, yet people can put restrictions on your property, Mr. Speaker, and mine, and do not have to go to the people. I think the powers of planning boards might very well be reviewed, and the final say as to what is going to be done with your property and mine be made by appointed members. Their function should be only advising.

I am very happy to see the hon. Minister of Reform Institutions (Mr. Foote) in his place this afternoon. May I suggest through you, Mr. Speaker, that no doubt the hon. Minister knows all about it, but I think some study should be given to the American system where men convicted and sent to jail can now keep their jobs and work all day and return to the jail at night. These men are still maintaining themselves and their families rather than be a charge on the city relief department. I think there is some merit to it, and it takes some of the load off the taxpayer.

It has been said that there is no known cure for the sex pervert. Well, Mr. Speaker, I submit to the government that we quarantine for contagious diseases, and until we have the cure we had better quarantine these people indefinitely, for life if need be, for their own good as well as that of society. I think with the great leadership on the part of this government, if we enlisted the services of the universities, which we support in a great measure, and ask them to appoint a scientist from each university in Ontario to study this problem and try to come up with the answer, that would benefit society.

I sat for years on the industrial school board, and when we went out there everybody was at work at the industrial school. I believe that a shorter period of incarceration will turn out better boys with good strict discipline and good hard work, and is in their best interests.

Mr. Speaker, just a few words about the New Canadians and I am through. I give great credit to this government and our boards of education for the basic

English classes that are doing so much to aid our newcomers to learn our language. But, Mr. Speaker, are we doing everything possible to assimilate these people as much as we should? Let us encourage and intermingle with them—encourage them to preserve their traditions and their cultures, all that is good in them. But we are not doing all we should do by example and teaching and telling them what our cultures and traditions are.

What great days do we celebrate any more? What does Empire Day or Dominion Day mean? I would suggest to the hon. Minister of Education (Mr. Dunlop) that it would be a great thing if we could determine the names of all persons in Ontario who will attain their majority in the coming year. My late wife with our daughters went for years to the Imperial Order Daughters of the Empire when the newcomers received their naturalization papers, and extended the right hand of friendship to bid them welcome. What about we who were born here? We just emerge into our citizenship.

Why cannot the hon. Minister get all the names of those attaining their majority this year, and on Remembrance Day or Empire Day in every hamlet, town or city have a county judge or some outstanding person bring all these people together and administer the oath of allegiance, and hand them a card, a certificate of citizenship, so they can stand up and put their hand on their breast and say, "I am a Canadian," with a full sense of pride and satisfaction? Such a card, the same size as a birth certificate, would be excellent identification no matter where a person goes. No

one could get a motor car licence for someone else if such a card had to be produced, and that racket would end. It could be used in cashing a cheque or crossing the border.

Get pictures of Her Majesty on the postage stamps because her Crown is a symbol that stands out above political parties and political controversies. Long may the British monarchy endure in noble strength. We have many people coming here, and let us by example teach them about those of us who were born and raised here, that they be proud and happy to be part of the British Empire—it is now the British Commonwealth, but to me it is the British Empire.

I will repeat what I said a good many years ago in this House with regard to the subversive elements in this province: Love the land you live in or go live in the land you love.

HON. C. DALEY (Minister of Labour): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. DANA PORTER (Provincial Treasurer): Mr. Speaker, before the adjournment of the House I wish to announce that the business tomorrow will consist of business appearing on the order paper and the speech from the Throne.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5.50 of the clock, p.m.

ERRATUM

(February 4, 1957)

Page	Column	Line
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Typographical Error on page 207 should read
Change "MR. R. E. ELLIOTT (Hamilton East)"
to "MR. A. H. COWLING (High Park)".



ONTARIO

Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, February 13, 1957

THE QUEEN'S PRINTER
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1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

WEDNESDAY, FEBRUARY 13, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

Introduction of bills.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. Report of the Minister of Agriculture of Ontario for the year ended March 31, 1956.

2. Report of the Minister of Public Works of Ontario for the 12 months ended March 31, 1956.

MR. SPEAKER: Before the orders of the day, I would like to take this opportunity to welcome to the assembly this afternoon students from Brookhaven Drive Public School, Riverdale Collegiate Institute, Ryerson Public School, and St. Basil's School, all of Toronto.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I beg leave to table answers to questions 4, 11 and 12.

Before the orders of the day, might I present to the House the possible desirability of setting up for this session at least a standing committee of the House to consider legislation and all

other matters relating to highway safety. I make the suggestion for this reason, that within a day or two the government will be introducing some very extensive amendments to The Highway Traffic Act relating to safety. I must admit that although these matters receive the greatest consideration, very often we run into matters upon which you must approach the subject with an open mind, and perhaps it would be better to allow a bill of that sort, with very many enactments to be placed before a House committee for their consideration, enabling the hon. members to have fuller information concerning these matters when they come up before the Committee of the Whole House.

In a bill such as the one which will be presented here shortly, there will be a great series of amendments. The discussion on second reading, of course, is pretty well limited to the general question of highway safety; the real consideration is given in the Committee of the Whole House.

I would give you an example of a case in point, and it would seem to me that perhaps it is a place where the hon. members might consider this better informally in a Committee of the Whole House as a preliminary to the consideration by the Committee of the Whole.

There is this problem and there are dozens like this: some of the highways—for instance, on University Avenue—have 4 traffic lanes leading north, and the whole tenor of The Highway Traffic Act is that the traffic is to keep to the right and to pass on the left

of the vehicle in front. If a person is driving in the third driving lane and a motor vehicle is approaching from behind in the second lane from the right, under the present statutes, it is apparently not legal to do that, but it is being done and must be done every day of the week. There is a question of changing that.

I would think there would be very good reasons why it should be done, in a case like University Avenue, but perhaps there are some reasons why it should not be done on some other highways of the province. When I say "other highways of the province" I mean other 4-lane highways.

I make that suggestion and would be prepared to introduce a motion tomorrow with a view to setting up a highway traffic safety committee to consider this and all other matters relating to that subject.

HON. C. E. MAPLEDORAM (Minister of Lands and Forests): Before the orders of the day I want to make some comments on the speech made yesterday by the hon. member for Bruce (Mr. Whicher). I must apologize for not being in my place when the start of the speech was made. I was busy with a delegation of commercial fishermen and had a busy half hour with them.

It was, of course, very surprising to me to hear some of the statements that were made in this House yesterday. I must say they did come as a complete surprise. There was a reference made to Duck island in which a United States representative, as he was called, visited and I think it is only fair to say I knew nothing about those particular areas. I must apologize for that, and must say to hon. members that our fishing and game laws are primarily designed to take care of hunting and fishing regulations on Crown land, and they are also designed to take care of regulations on privately owned land.

Duck island (Lake Ontario) and Hen island (Lake Erie) have been privately

owned for generations and operated as bass fishing camps for a long time — probably going back past the turn of the century. Nicholson island in Lake Ontario and Griffith island in Georgian Bay have been privately owned for a long time, but their use for sport only goes back to the late thirties — a few years before the present administration. Both of these are primarily for pheasant shooting, and it is remembered that, after holding out for years, this province has set up arrangements for marketing privately reared pheasants and rainbow trout.

In addition to the bass there are deer on Duck island and pheasants on Hen island and in addition to the pheasants there are deer on Griffith island.

We cannot say how long ago the practice of shooting on such islands was established. Reference was made to Mr. Dulles having the right to shoot game at any time. We have no record of any infraction of our fish and game laws. We know that 60 or more years ago, Caribou island in Lake Superior was operated as a private game preserve by a Michigan senator, who imported caribou from Newfoundland. The fact that these practices trace back to the former administrative regimes can hardly be considered significant. All of them may have been inspired by the example of Menier, the French "chocolate king", on Anticosti island in Quebec, and if they were not available for their present use they might stand derelict as indeed Caribou island now does.

The fenced enclosure at Powassan is different. It is enclosed private property on the mainland and with seasons conforming to the surrounding area, if indeed it is being maintained at all now.

The proper management of these islands is a problem that is simply an extreme example of that which confronts hundreds of owners of trout ponds or other places where game or fish are found on private property, which includes, in the last analysis, almost any farmer. Game is a product of the land

as much as anything else that grows, even if legally, it belongs to the Crown.

If it is not utilized there is a real waste, possibly even damage to other crops or to the land itself, but the owner of the land is under no obligation to accept injury to his property, or even interference with his peaceful enjoyment of his property, in order to let someone else take off the crop. If he has taken steps to increase the wildlife crop, we must admit that he has a special interest in it — otherwise, certainly, he will take no such steps.

The question of what can be done with game on such islands is important. If the private operations ceased, the pheasants would soon be gone. Probably the deer would too — there is nothing to show now for past operations on Caribou island. It would be too expensive to catch them up, and there are not enough to attract the public to such a spot for very long. If we had such islands belonging to the Crown, we would take advantage of their isolation to use them for experimental purposes. We would certainly not alienate them.

I suppose the most important single consideration is the fact that never, from the beginning, has there been a special provision for deer management on these islands, and that therefore there has been technical violation of The Game and Fisheries Act, at least since it was rewritten back in the 90's. Before that, seasons were so long and bag limits so generous that it could not have mattered.

Why did the custom of private management of deer grow up for certain islands, and not for private lands generally? The answer is a very simple one. In those days the only place where one could protect deer privately was on an isolated island. There were no deer on most of the private farm land.

Are we now going to chuck private management "out the window" and say to the owners: "Because there is no open season in Grey county, and Prince Edward county, you must let the deer eat every shrub on your islands, as far up as they can reach, and then starve

to death?" That, if we are to judge from other places where this policy has been followed, is what will surely happen. The choice, either way, has some elements which we must consider wrong.

As a basic principle, we believe the owners of private game preserves, whether island or otherwise, should be prepared to recognize the open and closed seasons in the particular areas. If it is necessary to bring in regulations or amend The Fish and Game Act, we will do so. In any event, our conservation officers will be instructed to report any violation of The Fish and Game Act.

In the interest of good game management, our department then will be willing to consult the owners, such as those of Griffith island, on the possibility of a regulated open season.

Griffith island was purchased just about 3 years ago, basically as a training centre for the training of Canadian personnel of General Motors.

General Motors selected Griffith island as a desirable location for training their Canadian personnel. They have been running the school on Griffith island for the last two years, and they have just completed construction of a new building with a large lecture and instruction room, which will accommodate from 40 to 60 men.

The construction of this new building was all carried out by local labour, and all of the supplies for use on the island, including the groceries which are required by the personnel attending these training courses, are purchased locally.

The school is used as a training centre for the factory staff of foremen and supervisory personnel of General Motors in Canada, so that they do not now need to go to the training centre in the United States for this work.

The training courses are in session during the late spring, summer and early fall and there is, of course, no shooting whatever on the island while the training courses are in session.

I believe I might as well touch on another subject which is causing some concern, and, also, I think in the interest

of a better place to live in Ontario. I want to refer, briefly, to two clubs that are operating in the province of Ontario and on which there has been some publicity in recent months. I would like to give you a brief résumé of these two clubs, what their actual operations are, when they were created, and some additional information along these lines.

I would like to mention first, the Tadenac Club.

Grants of Crown land were made to these clubs in 1904, during the Ross administration.

In addition, grants of Crown land were made to individual members of the Tadenac Club between 1895 and 1901, and these lands form part of the present holdings of the club.

Included in the land holdings of the Tadenac Club are the beds of Tadenac Bay of Georgian Bay and Lake Tadenac, totalling 1,860 acres. In the same year, 1904, the club was granted the exclusive fishing rights in these waters, again during the Ross administration. I hope the opposition members are noting when these things were granted.

The Tadenac Club in addition holds 2,239 acres of land under a licence of occupation from the province on a year to year basis. The lands are in Freeman township in the district of Muskoka.

The Tadenac Club was incorporated in 1895 and the objects of its charter are:

Subject to the provisions of the laws respecting the protection of fish and game, to protect, preserve and propagate fish and game and to pursue, hunt, capture and take the same in, over and upon the lands, waters and property of the club.

Hon. members will realize these conditions should not exist in the province of Ontario today. I must say this government is not in accord with these particular clubs.

I cannot say that too strongly, we are tied by the terms of the charter issued to these people by former administra-

tions. I suppose, as hon. members of a Legislature, we should uphold those things but I do want to make this point, we are not in accord with what is going on in these particular areas.

A much worse situation is the Madawaska Club. This club was incorporated in 1898 and the objects of incorporation are:

- (a) Subject to the provisions of the laws respecting the protection of fish and game, to protect, preserve and propagate fish and game, and to pursue, hunt, capture and take the same in, over and upon the lands, waters and property of the club and
- (b) To conduct experimental work in forestry biology and other branches of natural science.

For the information of hon. members, the charter also provides for the dividing up of the club's lands among the shareholders according to the by-laws of the club, but not so that any person not connected with the University of Toronto can acquire an interest in any of the lands. This provision is carried into the letters patent granting Crown lands to the club.

The Crown lands were granted to the club in 1904 and comprise 1,084 acres in the township of Gibson in the district of Muskoka. No land covered with water is included.

The club also holds Crown lands totalling 230 acres under a lease issued in 1935, containing provisions for renewal for 7 years, and expiring in 1962. We will have a long look at that in 1962.

Again, I believe, in the interests of the people of Ontario, the time is far past when clubs or private individuals can withhold from the people of Ontario—the public—the right to hunt or fish on any land in the province of Ontario.

I may assure hon. members that I am not in favour of any of these types of operations. I was very much disturbed when I found that the regulations had not been followed through. I

assure you they will be in the future. I thought it was time, and timely, to bring to the notice of the hon. members the actual facts in regard to this one instance. There may be others—

MR. NIXON: Might I ask, Mr. Speaker, if the hon. Minister of Lands and Forests has anything on the Long Point Club? I believe it is much in the same position.

HON. MR. MAPLEDORAM: I have not got down to the bottom of that one yet. I am still investigating. I must admit, too, that these things only appear when some publicity is given to them. As Minister of a large department it would be absolutely impossible to know everything that is going on, but I do assure hon. members that I will do everything possible to promote the use of these lands in the best interests of the public of Ontario.

HON. L. M. FROST (Prime Minister): Arising out of what the hon. Minister of Lands and Forests has said—I do not think, perhaps, that I am in order in making this statement—but I do so with the consent of this House because hon. members might, possibly, want to hear something on the law as delivered by a country lawyer.

I was not present in the House—I was busy with some of my Ottawa friends—yesterday afternoon when the hon. member for Bruce (Mr. Whicher) made his speech, but I read it as interpreted in the newspapers. I may say that the hon. member made one statement which, I think, is entirely incorrect—at least, I think he will be glad to know that it is incorrect. There is not one law for the rich and another for the poor in this province.

MR. MacDONALD: Did you prosecute in the case of the violation?

HON. MR. FROST: The department did not know about the situation. I might say this to hon. members, that the law is the same everywhere. If a deer is on Griffith island, or any other

place, it is subject to the laws of the province. That is so about partridge, pheasant, or anything else—speckled trout or black bass. They are all subject to the laws of the province. People do not have the right to disregard the seasons in this province, nor have they the right to disregard the game laws because these animals, birds or fish happen to be on private property.

I would say to the hon. members that that is my understanding of the law. It has been my understanding of the law in the past, and if it is not the law then I think, Mr. Speaker, it will become the law.

I would point out to the hon. member opposite who asked the question that I think the incident at Griffith island, the shooting of a deer—if that was out of season, was—

MR. MacDONALD: Why did not the hon. Prime Minister prosecute?

HON. MR. FROST: I would say there is a bar to prosecution; there is a bar to prosecution in time. You have an offence. If a certain period of time elapses then it is not an offence. What happened, apparently, was that it is not an offence that can be prosecuted. There is a time bar.

In this particular situation I understand that this company, or the organization running the island, transported certain deer from outside the province to the island and used them for hunting purposes. It might be considered that it was all right, that it was not game that was part of the province of Ontario, and was personal property. My understanding of the law on the matter is that any animal, whether it is a pheasant, or a deer, or anything of that sort, as soon as it enters the province then it is subject to the laws of this province.

MR. MacDONALD: Might I ask the hon. Prime Minister on what date the government learned of it?

HON. MR. FROST: I did not hear of it until I saw it in the newspapers. I had not heard of it. I understand that

the General Motors people, who were part and parcel of this, were very highly embarrassed.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I might say a word with regard to the matter brought up yesterday by my colleague the hon. member for Bruce. I was interested in the hon. Minister's definition of the game laws of the province. I understood the hon. Minister of Lands and Forests to say that the game laws were enacted to apply to Crown lands, and that farmers could hunt game on their own land. But of course that is not, or should not be, the case. If I shoot a deer on my own farm out of season then the conservation officers are "after me"—and properly so.

What I want to say with regard to this is that what is true on my own land, on my private farm, should also be true on any estate or on any land anywhere in the province of Ontario.

On the front page of the *Toronto Telegram* today, an eminent United States statesman is reported to have said this: "I will shoot all the deer I like on my Canadian estate." It is these sort of statements, Mr. Speaker, which breed disrespect and contempt for the game and fish laws in this province.

What the hon. Minister of Lands and Forests rose and said to this House this afternoon, let him by all means put into definite practice, so that all the people in this province will know that there are seasons for shooting deer and for catching fish, and that those apply to the citizens of this province, whether they may come as visitors from the United States or whether they come from there as owners of tracts of land in the province of Ontario. There must not be, there cannot be, if we expect the full appreciation of our game and fish laws, any further evasions or "getting out from under" the laws of the province of Ontario.

MR. D. C. MacDONALD (York South): Mr. Speaker, I have one brief word to say: Methinks the hon. Prime Minister has protested far too much.

He now informs hon. members: "It was news to me when the incident took place"—that he did not learn about it. I have the very grave suspicion—based on what we remember if we go back and take a look at what happened in the highway investigation—I have a very grave suspicion that if it had been a "little fellow" he would have been prosecuted. But they will not prosecute in this instance. This is the sort of thing that substantiates the suspicion that there is a law for the rich and a different law for the poor.

HON. MR. FROST: I maintain that the hon. member has a very suspicious mind.

MR. MacDONALD: It has been well cultivated watching the activities of the government benches.

HON. MR. FROST: I reject what the hon. member says. There is not one law for the rich and a different law for the poor.

Regarding the particulars of this offence which the hon. member refers to—the particulars I knew nothing about, and heard nothing about until yesterday, or last night, when I read the first edition of the morning paper—I may say that if the hon. member will give me the information, and if it is within attainment, then a prosecution will be laid against the parties.

May I say, further, to hon. members that if there is any report that Mr. Dulles shot a deer on that island we will lay a prosecution against him, too.

MR. SPEAKER: May I remind hon. members that we cannot permit a debate on a question of privilege to come up before an order of the day. An hon. member who has a question of privilege will speak after the orders of the day.

MR. R. MACAULAY (Riverdale): Mr. Speaker, I would like to ask a question of the hon. Provincial Treasurer (Mr. Porter)—a question of public importance—if I may do so.

First of all, if I may just for a second, I would remind the House that it is likely that Mr. Dulles has immunity and could not be prosecuted; but that is for the hon. Attorney-General to decide.

HON. MR. FROST: That, coming from a Bay Street lawyer, is good enough for me.

MR. MACAULAY: The question I would like to ask the hon. Provincial Treasurer arises out of a delegation which appeared this morning before the council of the city of Toronto. That delegation was composed of a great many interested parties, including myself. The matter was the result of a two-year study, by a committee of the neighbourhood workers, of the housing situation of this city. The study covered not just the shortage of housing, but also the lack of enforcement of the Toronto by-laws in relation to housing, and the very serious consequences that it is having on juvenile delinquency, a lower standard of living, and one thing and another.

I suggested to his worship the mayor of the city of Toronto that part of the problem was the lack of law enforcement by the city of Toronto, and suggested that a court be set up for the purpose of dealing with the complaints that were made in relation to the lack of enforcement of the building by-laws in the city.

To that, his worship, as is not unlike his wont, suggested that perhaps the responsibility lay elsewhere, and suggested that in order to have a court set up in the city of Toronto to deal with this problem, it would first of all likely need the approval of the hon. Attorney-General (Mr. Roberts), and, secondly, it would be under the control of the hon. Attorney-General.

The hon. Provincial Treasurer is our former Attorney-General, and is a man who has a vast knowledge of the laws of this province, and I would like to ask him, arising out of this lead, these two questions:

Firstly, in order for the city of Toronto to prosecute effectively these matters and to set up a court, is it necessary to have the approval of the provincial government?

Secondly, if it is necessary to have the co-operation of the provincial government, will it take the matter under consideration and take whatever steps are necessary to set up such a court, if the city of Toronto in the metropolitan area does its share in relation to the same thing?

I know the hon. Provincial Treasurer cannot answer the question this afternoon, but I would be grateful if he would take the matter under advisement and advise me when he has had an opportunity of considering it.

HON. DANA PORTER (Provincial Treasurer): This is a question which I cannot answer at the present time, if ever. But I shall be very pleased to take up the matter with the hon. Attorney-General when he returns, under whose department any such procedure comes.

I realize the very great importance of this problem in the city of Toronto, and I am sure that some means may be found to assist in the solution.

Orders of the day.

ADDRESSES IN REPLY TO THE SPEECH FROM THE THRONE

HON. CHARLES DALEY (Minister of Labour): Mr. Speaker, in rising to take part in this debate, I should like to present my compliments to you and to assure you of the high esteem which you have earned from hon. members of this House in the conduct of your most important office.

I am going to touch on a few questions this afternoon, and they are not all entirely within my department. I do anticipate at a later date—some time during the budget debate—bringing to hon. members a report on The Department of Labour, the progress that has

been made in industry, and one thing and another that affects it. In addition, I am, as has already been announced, introducing some amendments to The Labour Relations Act, which will strengthen it, I hope. Also, as I have heard a slight hint here that some hon. members would like to have the labour committee called, I can assure the House that it will be done.

We have had labour committee meetings before, as hon. members know, but labour legislation is rather difficult, and I have felt more or less at times that it was for the government to take the responsibility for such legislation, and that, as a matter of fact, it would not be advisable on some occasions to call the committee. However, it will be called.

The great industrial growth in Ontario in the past 13 years gives us cause for satisfaction. I am sure that all of us are well aware that Canada has been called upon to produce more and to take a greater part in world affairs. If this has been a heavy duty on our citizens, then we should realize that a very large part of the burden has been borne by the people of Ontario.

I do not think that I would be overstating the case, nor would I be ignoring the just claims of other provinces to have their share in the development of Canada recognized, if I were to make the statement: "As Ontario goes, so goes Canada."

This province has been the hinge upon which the prosperity and development of Canada has turned in these past dozen years. I think all hon. members know that Ontario has been blessed in the abundance and variety of its natural resources. I am sure all of us appreciate the fact that we have been fortunate in the versatility and industry of our people. It is on these two great resources — human as well as material — that our prosperity is founded, and our hopes for the future are based.

If we are rich in human and natural resources, we must also recognize the fact that these two alone are not suffi-

cient to form the basis of a happy and prosperous society. There must be the additional element of good government if our economy is to be sustained and people and capital attracted to come and stay with us.

I do not have to tell hon. members of the new industries that have been established in Ontario, or the number of people who have settled in our midst in the past 13 years. Everywhere we look we can see the evidence of our growth before our eyes — new plants springing up all over the province, new housing developments being undertaken, new schools being built.

Obviously, these things would not have happened if there had not been great trust in the political institutions of this province and in the wisdom of its people in choosing a good government to direct its affairs.

I think it is generally recognized and accepted that prosperity and well-being go hand in hand with good government. No one will deny that the prosperity of Ontario has steadily increased in the past 13 years, and it is equally apparent that the confidence and wisdom of the people in their choice of government has steadily become more apparent during these years. It is obvious that this is an important consideration in the minds of our citizens, that there should be harmony between themselves and the government which they have chosen.

If we have had a tremendous development, it is not by any means finished. I think we must also recognize the serious problem which faces us. We are committed to an expanded future in Ontario, and cannot turn our back on it or attempt to forestall it. I doubt very much if we can control the rate at which our development will take place. As a government, we can create the proper climate by good administration, by planning for schools, roads, hospitals and for the care and protection of our citizens, all of which must be planned in an increasing quantity to meet our expansion.

Our major difficulty is, of course, that as between our provincial and

federal governments there has not been a recognition by the federal authorities of what hon. members consider the just claims of the province to share in the enormous sums of public monies that are being raised every year in Ontario, and which should be distributed on a more equitable basis.

It is obvious that the great bulk of public service which must be established and maintained for our individual citizens lie within the jurisdiction of the provincial government. Yet the revenues which must be found to support them can be raised only on the hardest and most difficult terms. The work is there to be done, and it is an inescapable duty of the province to do it, yet the trend of public monies is away from the province in such quantity that there is little hope of the people supporting an extensive provincial programme except at great cost to themselves.

It is high time that the federal government realizes that there is a direct relationship between the ability of the people to pay for the costs of government, and the basis upon which public monies shall be apportioned between, and spent by, the provincial and federal governments. There is but one common source of this revenue, and the taxpayers are entitled to have their revenue fairly apportioned to their needs.

One cannot help but be impressed by some of the important and difficult problems which are beginning to confront us. A good example is the provision of adequate supplies of water. I think all hon. members realize that little or no industry can operate, and certainly no community can carry on, unless a good supply of water is available.

In many areas of this province, the water table has been lowered considerably. In order to provide for these areas and to ensure that they will be able to participate in the development of Ontario, water must be brought into such sections as a public utility. This may be costly but it is a necessary undertaking. When new plants are being

located throughout Ontario, one of the first questions which will be asked is about the water supply of a given community.

We want industry to decentralize and locate in the smaller communities, therefore, we must supply the services that make it possible. One of the foremost of these is an adequate supply of water and, of course, in this modern day, sewage disposal. I think this government should be commended for taking direct action to deal with this tremendous problem.

Now let me turn for a few minutes to a consideration of our overall picture. Canada, we can say, has unlimited possibilities, but, even in the twentieth century, with the great industrial and scientific developments which have taken place, hon. members must realize that to achieve the happy balance of a good economy and therefore a prosperous people, there is a great deal of hard work to be done and money to be spent.

It is impossible to say that we shall achieve our goals alone and we must realize that we must have help, other than that of our own resources, if we are progressively to attain the stature among nations that is indicated as our destiny.

We need only to look at the lessons of history to find out that great nations have risen in the past because of the movement of people and because of the investment of outside capital in new lands.

I do not think anyone will disagree when I say that, left to ourselves, without any increase in our population by immigration, without foreign capital, our position might soon become static. At any rate, our rate of growth would be greatly reduced.

The United States is a good example of how a nation has grown and prospered through immigration and through the use of foreign capital to develop it.

Our problem, however, is somewhat different. Some 100 years ago, when immigration into the United States was

rising rapidly, the dependence for industrial production and for agriculture rested mainly on the workers. Men were needed in great numbers to turn out the goods and services for a rapidly growing population.

Today we have need to continue the job of pioneering this country, but the means of doing so are vastly different.

We must realize that in this country we have not been slow to take advantage of the most modern and scientific means of doing any work that comes to hand. We have railroads, trucks, motor cars, airplanes and the tremendous earth-moving and road-building machinery.

Imagine tackling the development of the St. Lawrence power project and seaway, and confidently fixing a date within 5 or 7 years for its completion, without these aids.

It is with this knowledge that so much has been given to us which our parents and grandparents never had, that we must tackle our problems. Our problems in Canada are nonetheless difficult, but the solutions will require the same ingredients that went into the making of other nations, namely, people, hard work and money.

None of us would turn back the clock to the so-called "good old days." After all, this is the day and age in which we are appointed to live, and we must work and plan for this generation and for the future.

It must not be forgotten that our own Canadian people are supporting what appeared to be a good investment in other lands. Brazilian Traction is a good example.

In regard to foreign capital coming into this country, criticism has become considerable and is continuing, and I am fearful it will have a detrimental effect on the continued growth, development and prosperity of the country. We have all observed the great growth of this province industrially. If we look about us, we will see how industry has expanded.

One good feature of industry not concentrating entirely in the larger centres,

but sifting into the smaller municipalities—although not yet to the extent we probably would like—is that it supplies employment, taxes and all the benefits that accrue, not only to adjacent areas, but to the country as a whole, through municipal, provincial and federal taxes.

It is a fact that some of this money is from other countries, and I would say that while it is understandable that the major proportion may come from the United States, this does not make it undesirable in my opinion.

What happens when an industry establishes itself here—American, British, Dutch, or from any other land—is that it buys its necessary materials to a great extent in Canada. It employs to a large extent Canadian labour.

Without a doubt, the employees will join some labour organization which will command Canadian wages and conditions of employment. Health conditions and all regulations, as exist here in Ontario, must be complied with, so I ask what is wrong with outside capital coming in here to help us develop our country, and create gainful employment for our people?

I have in mind one industry which recently established here, which I had the honour to officially open. It started out with approximately 100 men, and I was assured by the president of this large organization, which has 7 other plants in the United States, that only 4 key men were brought into Canada, and these would be returned to the United States as soon as they could train men in executive jobs.

In one year a large addition has been added to this industry because their products have been favourably received in this country. One of the encouraging things about this industry coming here from the United States and other countries is that our own plants, which have been long established in this country, are not lagging, nor are they dragging their heels, they are expanding.

I mention this because, although in my own city there have not been many new plants, there has been tremendous

expansion of those which exist there: the Thompson products, Yale and Towne, Hay Steel, and General Motors. They have all expanded tremendously, which shows our Canadian plants are competing. They keep abreast of the times and are alive to the situation of what is happening in the country, and they compete with all comers.

I know, Mr. Speaker, that we have to trade and purchase goods and materials from other countries. We cannot live by ourselves alone. We must do business with other countries. But, I think, one of our weaknesses is that we are coming more and more to think imported goods are superior to our own. I think that is a great mistake. In the statistics of the federal government, it was disclosed there was a huge deficit in the trade balance of something near \$1 billion. That indicates that we are using and buying too much, and are not able to sell enough.

I am going to cite an instance which gives a little clearer picture of what I am thinking. In my riding, there are a great many farmers who grow grapes; some 4,000 or 5,000 raise grapes which, to a great extent, are used in the making of wine. This wine is produced in large quantities in modern, clean, up-to-date wineries. Hundreds of thousands of dollars have been spent by these wineries on research, with the result that they now produce fine wines which have won awards in Paris and other countries where wine is famous.

A test of these fine table wines, grapes from which they are made grown by our own farmers, produced by the skill and ingenuity of our Canadian people, will convince one it is no longer necessary to go abroad and import wines to the extent that we do today. I do not think we should, actually, stop importing wines, but I do think, when our own Canadian products are demonstrated to be good, they should be given the preference. Yet, we do have the big deficit.

Then, we produce great quantities of the finest quality of fruits and vegetables

which, at times, become even a glut on the market, and which certainly affect the price unfavourably to the detriment of the farmer, and that has often happened during the fruit season. During the time our peaches, which are second to none, are available, our shops are filled with imported fruits. Before our strawberries are quite ripe, our shops are filled with strawberries which almost satisfy the appetite of the people here for that delicious fruit, and when our own come on the market, they are not in such great demand.

None of these imported fruits, vegetables or wines are superior to what we have right here. And, I think, our Canadian people could give a little more consideration to helping the farmer in that way by using to a greater extent the products he produces, and less of the imported articles.

Mr. Speaker, as I have said, we have the ability to correct some of the farmers' ills by simply using some of his products. I have heard it said, I do not know just how authentic it is, that if every person in Canada were to consume another pound, or not more than two pounds, of cheese a year than they presently do, the difficulties of the dairy farmers would be eliminated. Just that little bit of cheese by every person in Canada, a pound per capita, I believe.

So, it strikes me that if the people want to help eliminate some of the difficulties that we are continually talking about in this Legislature, they have a very, very pleasant way of doing it—simply by eating a little more of the finest fruits and the finest cheese produced anywhere in the world. A very simple answer, if the people would become conscious of the need of using our own products.

I would like to mention, briefly, another thing, and in that connection I again mention my own riding—Lincoln county—because I see the picture more clearly there. Approximately 5 or 6 years ago, in Grantham township, which, practically surrounds the city of St. Catharines, had a population of approximately 5,000 people. Today

it is close to 30,000, a heavy increase in so short a time.

Homes were built and purchased by the workers in the area because, of necessity, there were practically no homes to rent. So, people assumed obligations which, probably, were a little "over their heads", but they accepted their responsibility believing in the country, and because they had great faith in its ability to maintain its momentum, and in their own ability to meet their obligations.

At one time, the provincial government assisted such people to purchase their homes by taking a second mortgage to help them with their initial down payment, and also to furnish their homes. This was, in my opinion, a very practical way to help thousands of people.

Everything seemed to be progressing very favourably. People were meeting their obligations. The government's second mortgages were being retired at a very satisfactory rate. Builders were contracting for more homes.

Just recently, however, one contractor told me he had 3 homes sold but the people had to cancel their purchases because of this policy of credit restrictions, "tight money", that someone conceived. I do not know, I think those names are probably covered, "credit restrictions". I am not an economist. I cannot argue whether that was a good move or not. I attended the Niagara Street School in St. Catharines, and they did not teach those higher mathematics, so it was not in my curriculum, and, therefore, I cannot talk on the question of high finance, but I can see the result.

I do believe that these credit restrictions are making it impossible, as I understand it, for people with plenty of security, but no cash, to get cash on their securities. They are unable to borrow any money except at very exorbitant interest rates, and this is having a disastrous effect on the economy, and particularly the "small man."

These people, working people, have obligated themselves; they have and are purchasing these homes which, as I have said, actually might be considered "over their heads." The houses are too expensive, but necessity forced them into the purchases and now they are finding great difficulty in maintaining them. The eliminating, not actually stopping of, home building, but slowing it down to a point where it is creating a great deal of unemployment, is certainly a bad feature. For one thing, it is leaving a great number of people discouraged and dejected, and their only fault was that they had faith in the ability of this country to furnish them with employment, and in their own ability to fulfill their obligations.

I know that the argument is that inflationary tendencies have to be curbed. I do not argue that this is not possibly so, but, I think, instead of cutting right off and stopping with things as was done, that there might have been a gradual easing of the situation and it would have brought about the same result, but not in such an abrupt manner.

The people with fixed incomes, of course, in inflationary times, are certainly in a bad way. We know that pensioners and all these people are hit hard, but, I think, rather than disrupting progress on the whole, we should take a new look at our social services. We, in this province, could better them, Mr. Speaker, if we had a fair share, as it was said by the hon. Prime Minister (Mr. Frost), of the revenues that accrue to the federal government from this province.

One of our great needs in our modern industrial civilization is electric power. Within the next year, I think, we shall bring into operation a development at Cornwall on the St. Lawrence River. While this will provide us with a large additional amount of power, we must realize that it will not be sufficient to cope with the demands which will be made in the foreseeable future in our expanding communities.

This means that we shall have to turn to other sources, such as steam

power, which will be generated by burning coal or oil, or by the use of atomic material.

Already in Ontario, the construction of the first power plant using atomic materials is under way. The engineers of The Hydro-Electric Power Commission and of The Department of Labour are taking part in these discussions, and are being drawn into consultation with the scientists and the contractors to devise ways and means to build the necessary safety factors into the plant.

At the same time, they are anxious to see that it will be designed in such a way that costly shut-downs will be avoided because of the dangerous nature of the substance which, of course, is a very big problem.

Make no mistake about it, we have learned through research and the scientific handling of such materials that they cannot be trifled with. Recently hon. members read that there was an accident at the Chalk River atomic plant when a small tube of radioactive material—no bigger than a pencil—was dropped and created a great commotion, and one man is still in the hospital under observation. This can be — this atomic energy — a great new tool for our way of life, but we must always treat it with the greatest of respect.

I will say that before this session is over I hope to put before the House an amendment to legislation administered in The Department of Labour which will enable us to establish safety controls for the handling, transporting, storing and use of these dangerous materials.

Over the past few years, we have been keeping a sharp eye on the development of atomic materials for use in industry, and my senior engineer, Mr. Gibson, has been attending lectures, meetings and discussions in Canada and the United States on how best to build safety factors for our workmen in this field.

I am asking during this session that the Honourable the Lieutenant-Governor be given power to make regulations so

that we can go forward as experience indicates. I merely mention this to the House to let the hon. members know that The Department of Labour, The Department of Health, and other branches of the government are aware just how great benefits can be derived from the use of this new force.

It is surprising, Mr. Speaker, how the use of these atomic materials has permeated into things. This new energy can be used in welding, in paper machines — there is a use for it some way in paper machines to control the thickness of the sheet of paper. There are many ways in which this great new energy is coming more and more into our lives.

I want to say just a few words on one of the problems which confronts us today, namely that of the older worker. This is not the first time that I have spoken on this topic, and I am deeply convinced of the need for co-operation between labour, business, the professions and government to face up to the realities of the situation and to devise ways and means to clear away a great deal of misunderstanding on this subject.

I understand that this year, at the end of May, there will be a conference at the University of Toronto on the problem of aging, and it is my sincere hope that such a conference will have the full participation of labour and business; in fact, of all who can assist, and that there will emanate therefrom some worthwhile ideas as to how to cope with this problem.

We have made great strides in industry, but we have also made great strides in the field of health and medicine, so the life expectancy of our people has been raised, and there are now more older people looking for employment. I think that business and industry will undertake to assist and sponsor these people in work for which they are suited. It will be helpful to them and it will also release younger workers for the more vigorous and difficult jobs for which they are suited.

In raising the problem of the older worker, I am deeply concerned about the men and women who are in full vigour of middle age. There is a problem which can be solved only by the co-operation of the employers, the trade unions, and governments where they are involved. How often do we hear today the expression, "No one over the age of 40 need apply"?

Mr. Speaker, if we are going to disregard and ignore the skills and abilities of employable persons of 40 years of age and over, then I say we are going to lose one of our most precious assets — the maturity, the experience, the stability, the prudence and care of a group of people who are ready, willing and able to balance our industrial and commercial team which has carried us to a foremost position as one of the great industrial nations of the world today.

I say to both labour and management that if we follow narrow policies of indifference to this problem, if we permit ourselves to be caught up in considerations of pension or insurance schemes in refusing to employ older men and women, or in collective bargaining forgetting about the needs of these our fellow citizens, then surely we are asking for trouble.

These men and women do not want "handouts" of any description. They want gainful employment, the chance to maintain their homes, to rear their children. I should be less than candid with you if I did not tell you that if, even unwittingly, we permit ourselves to forget these people, we are creating and imposing on our Canadian society a burden which can affect our prosperity and the well-being of the country.

We need all our resources, human as well as material, to develop this great country. We must remember that the impact of the older group will become greater as time goes on. With the great strides that medical science has made in the conquest of diseases, the life span has been prolonged. I think it is safe to say that the great need of our older citizens who are active and vigorous is

the chance to work, and we must find a way to accommodate them.

Mr. Speaker, in closing I can only say that I believe the speech from the Throne is indicative of the thinking of this government, its concern for the municipalities, and the difficulties with which they are confronted. The legislation proposed from every department indicates a forward, progressive attitude in conservation of our resources, highways, hydro, health, agriculture, labour, in fact everything that affects the well-being of our people and envisages a good life for all.

MR. ALBERT WREN (Kenora): Mr. Speaker, in rising to take part in this debate I would like to extend my congratulations to you. I would like also at the outset to express my appreciation to some hon. members of the cabinet for some of the kindnesses extended to me over the past few months, when difficult circumstances made it impossible for me to carry out some of my duties. These hon. members certainly extended themselves and assisted me in every way they possibly could, and I do appreciate their courtesy and kindness in that regard.

The 4 hon. members of the Legislature from northwestern Ontario—Port Arthur, Fort William, Rainy River and Kenora—had the pleasure of being hosts this morning to the delegates from the northwestern Ontario associated chambers of commerce, and later attended with them a meeting with the hon. Prime Minister (Mr. Frost) and his cabinet to hear the proposals which this body makes annually to this government and to the government at Ottawa.

I know I am quite right and quite proper in extending to the hon. Prime Minister and to the hon. members of his cabinet the thanks of all the people from northwestern Ontario for the kindly way in which these people were received and the courteous attention which was given to their representations.

This afternoon I was somewhat appreciative of the embarrassment that the hon. Minister of Lands and Forests (Mr. Mapledoram) may have felt in

learning of the incidents concerning deer hunting and so on, which were reviewed yesterday by the hon. member for Bruce (Mr. Whicher). I would point out, Mr. Speaker, that this is not the first time in this province that even people from the United States government have seen fit to hold in contempt some of our institutions and some of our laws and regulations. I recall about 3 years ago there was a rather serious highway accident near my home town of Sioux Lookout, in which one of the members of the American armed forces serving there was quite seriously injured and died as a result of those injuries. The accident did not occur on United States military property, and I would not suggest for one moment that there was foul play of any kind indicated in the death resulting from the accident. But despite the fact we had our own courts, our own coroner's courts, leading up to higher courts in the land, the authorities saw fit to take this individual home. The American military authorities felt it was their responsibility to take it to the United States for adjudication of the case.

At that time we were told that they had facilities which were adequate to deal with those things, but I did feel then, and still feel, that our own courts and our own administration of justice were held in some contempt. I do hope the hon. Prime Minister sees fit to prosecute anyone from the United States who chooses to violate our laws, and perhaps if he could get the President of Egypt in jail too, we might have a happy state of affairs in the British Empire generally.

I do not want to speak too long this afternoon because I do not want to stay on my feet for any great length of time. But I want to say something about our natural resources, particularly in this province and particularly because they are so important to the part of Ontario in which many of us reside.

I recall that the other day the hon. member for Port Arthur (Mr. Wardrope) outlined many of the developments and many of the potential

developments of that great part of northwestern Ontario. With what he said we are all in hearty agreement.

But there was one thing that disturbed me a little, and that is the hon. member for Port Arthur's reference to the "Frankenstein monster" in Ottawa. I am not just sure what that had to do with provincial affairs, but in any event I was rather surprised to hear the suggestion of "Frankenstein" made, because, as we all know, the working gears, shall we say, of that great "Frankenstein"—and I am proud to say one of our representatives and I believe the brains of that administration—resides in Port Arthur. I think if the hon. member for Port Arthur would like to make a contribution to Canadian government it might be well if he—

HON. MR. FROST: Do you mean the brain is the Rt. hon. Mr. Howe; is that what you mean?

MR. WREN: Yes. I think the hon. member for Port Arthur might offer his services against the Rt. hon. Mr. Howe and take the seat away from him, and I think in that way he could make the contribution he speaks of.

MR. GROSSMAN: We want the hon. member here, but he could do that easily.

MR. WREN: We speak of the upsurge in Canadian development, and it is a fact that Ontario as a whole continues to be the shop window of Canada. Here we have great stores of iron ore, nickel, copper, gold, timber, power resources and now, of course, perhaps the world's greatest known supply of uranium which will contribute so much to the free world's power needs, scientific requirements and defence. The tremendous lignite deposits, and clear evidence of oil shelves in the far north, need only bold and forthright exploration.

We do have with these the agricultural assets to feed and to a great extent clothe a huge army of industrial workers and, through co-operation

with the provinces, we have and can develop agreements to secure other natural services such as natural gas and oil. We must remain master in our own house in the development and control of our natural resources, so that our natural assets cannot be horse-traded by any federal administration, present or future, at the expense of the northwestern or any other section of Ontario.

It follows, therefore, Mr. Speaker, that I could not support the CCF sub-amendment for the public ownership of natural gas distribution that could seriously hamper, if not prevent, agreement with provinces who own and properly control their own sources of natural gas, and who have a perfect right to dispose of it as they see fit. Thus, an appeal of any federal group that Canada should control our natural resources should have little appeal here.

I noted in the amendment—and I do not want to bring federal politics into this; it is not my intention—but I did notice that in the federal House the other day where someone of one of the opposition parties suggested that Canada should develop and promote control and exercise with it some regimentation of Canada's natural resources.

We must remain free to exchange our resources within or without the nation on a basis of freedom of action of this assembly to negotiate for the people of Ontario. It might be my view—dwelling for a moment on the proposed tax agreements — that the province should levy and collect its own taxes, and let the federal authority levy and collect for equalization purposes. However, I do not propose to deal with that subject today except to say that, in my opinion, Ontario should not now sign away its right to collect corporation tax in Ontario.

Federal control on credits could well cripple a surging Ontario economy, and freedom of action, in a field of taxation regarded as lucrative, should stay with us, in my opinion, when year

to year adjustment may prove necessary through these tax channels.

We all recognize the capital financing needs of our municipalities, but if Ontario should experience a shortage of money through a "tight money" policy I feel that our own citizens — the citizens of Ontario — would rally to the cause if Ontario bonds were reduced to small denominations and made available to Ontario citizens over the country.

I do not think that a policy of this kind should be allowed in any way to restrict the important development and activity of the province of Ontario. Without in any way ignoring the needs of other provinces, our first consideration must be Ontario, through the absolute control of fields which can produce the fuel of finance incidental to the demands of developmental progress.

After all, it is my opinion that Ontario is not so much in a boom period as it is in a period of developmental investment. There is no clearer example than my section of Ontario, where there is no doubt in anyone's mind of perpetual yield of taxation and return of public investment once the necessary public development funds are injected into the area. All our areas have to be serviced if they are to produce anything near their potential.

For example, Manitoba would be willing and eager to lead feeder highways from mining areas in my riding into their own capital if we find our till empty and are, thus, unable to service that industry from our own highway and railheads. The building of a highway into Red Lake in 1948 is but one example of what I am talking about.

I might point out to the government — and I notice the hon. Minister of Mines (Mr. Kelly) is not in his place, but the hon. Minister of Lands and Forests is — that I received a communication just at noon today, and in that communication I learn that the Manitoba government has already made an application to the federal government for financial assistance for the building of a road into the Werner Tiger Lake

district in my riding, where Norpax and Eastern Mining and Smelting Corporation Limited is located.

According to the information which has been submitted to me — and which I should be pleased to place at the disposal of the access roads committee — it is that up to February 12th of this year the province of Ontario has never asked the federal government to contribute to an access road to a mine; but in the past the Manitoba government has made such requests and has received contributions from the federal government for such roads as that into the Snow Lake gold mines district of Manitoba.

I would respectfully suggest that the government take all possible steps to prevent that situation from taking place. Action was needed quickly in 1948 to prevent the same thing happening in the Red Lake area.

I feel that the mineral deposits in my riding north of Kenora are far too important to permit the Manitoba government to steal the economics of them away from us, and I respectfully suggest that if an application was made to Ottawa for financial assistance, that such an application would be given immediate consideration if it were to originate with the Ontario government authorities.

In addition to those remarks, I just want to say a few things about matters in general, which I would like to comment on and which affect some of the areas of northwestern Ontario.

I was interested to hear the hon. Minister of Labour (Mr. Daley) extoll the virtues of Ontario products, and I share with him the opinion that Ontario wines are just as good as those from the United States and from other countries. But we still follow in this province the policy of forbidding our own newspapers, and our periodicals, from advertising to our own people what virtue there is in our own wine and liquors.

I do not know why this policy has been continued. We were to have heard

something about it last year, and I understand the liquor commissioner was to make some report to the House on this subject, and I hope he may find it possible to do so at some time during this session.

But I do want to say that I think there is no other group of taxpayers in Ontario today, or, for that matter, at any other time in history, that are more pushed around than the liquor taxpayers — and I am not talking about the liquor interests; I am talking about the people who pay the actual liquor tax bill. I am not going to point my finger and suggest who is behind it, but it is a fact that over \$50 million, nearly 12 per cent. of our provincial revenue, comes from profits from the sale of liquor in this province; and yet we are still treated to the indignity, if you want to use that word, of being pushed around like small boys when we want to purchase a bottle of spirits offered for sale in a government liquor store.

I have advocated for a number of years — I have agitated for several sessions past — that our liquor permits be abolished. Personally, I cannot see any need for them, although I am open to persuasion if anyone can tell me the reason why an adult — a responsible adult citizen — who enters one of these premises, should be required to write out an order and go over, across the room, to another counter, where someone makes some unintelligible scribbles in a book, then to another counter where somebody makes one's change and then travel to another counter, and then look with one's eyes over one's left shoulder for fear of being caught with it before getting to one's own premises. I do not think that the experience which other jurisdictions have had without permits indicates any necessity for carrying out this type of regimentation.

There is another problem with regard to intoxicating liquors which is very real in the part of Ontario where I come from.

Our tourist outfitters, in a large part, cater to an American trade. Under the liquor regulations none of these premises

—or, at least, with rare exceptions—are licenced to sell beer or any other alcoholic beverages. They have to act sometimes in a way very close to that of bootleggers when they are required, in order to carry out the orders of their guests, to travel, often a great distance and at great inconvenience and without any compensation, back and forth from liquor stores or licenced beer outlets to bring back supplies for their guests.

I do not see any reason why, if these people have faith enough in the province, faith enough in the administration, to lay out money for a licence and invest thousands upon thousands of dollars in camps which are only seasonal in operation, and, therefore, subject to great financial risk—I cannot see why these people should not be permitted the privilege of having available for their registered guests beverages in sufficient quantity to meet the reasonable needs of the people staying with them.

I am going to have something more to say during the budget debate about liquor generally, and about the beer monopoly in this province; but there is one point I do want to make. It is one which was talked about a little while ago by the hon. member for—

MR. COLLINGS: Would the hon. member allow a question at this point? Is the hon. member expressing his own views at the moment or that of the group opposite, when he mentions liquor advertising and the permits?

MR. WREN: Am I expressing my own views, or that of which group?

MR. COLLINGS: The group opposite.

MR. WREN: I think I made it clear at the outset, in answer to the hon. member's question, that I was expressing my views and I was making representations on behalf of the people in the part of the province in which I live. Does that answer the hon. member's question?

MR. COLLINGS: Yes.

MR. WREN: Just before I pass on from this, Mr. Speaker, I would repeat what, I think, I have already said, that I would like to hear the liquor commissioner's views some time during this session on these subjects.

There is one other very annoying detail—perhaps it is not politically prudent to talk about it, but it is a very real annoyance, nevertheless. It is not quite as annoying as the absence of colour in margarine, but annoying nevertheless, and that is that—I do not know whether it is the Liquor Control Board or the Liquor Licencing Board, but it is the board which has the direction of beverage rooms—they have recently brought in a regulation permitting only one glass of draft beer on the table at one time—that is, to be served to one person at one time.

Yet, if a person wants to buy the beer which is provided by a beer monopoly in this province, by the bottle, he can have a glass and a half of beer in front of him provided, as I say, it is purchased in bottle form. The rights of individual workmen to come in and have a couple of beers on their way home have been cast aside, and certainly at great expense, and at very costly expense to the local brewers. I think it is indicative that the trend is gradually to freeze the small operator out of the brewing business, because the draft beer business used to be, and still should be, the bread and butter to the local brewery in places like Kenora, Fort Frances, the Lakehead, Sudbury, and so on.

I think there are people at work—and I am not necessarily accusing the government either—but there are people somewhere in the industry at work trying to freeze the "little fellow" out and set themselves up in complete monopoly in this business; and I can assure you, Mr. Speaker, that the working people are not very happy about it.

HON. L. M. FROST (Prime Minister): Might I say to the hon. member for Kenora that, in the matter of the two or more glasses of beer in front of one customer, the regulation in relation to that had its foundation, or its

beginning, in the situation which existed in beverage rooms some years back. This was when there were complaints about them being dirty, giving poor service, and contributing to arrangements which did not contribute to a good atmosphere in these places. I understand that was the origin of the regulation.

I think the hon. member would agree that there has been in Ontario a great improvement. I do not say that there is not still room for improvement, but I certainly think there has been, with the co-operation of the owners themselves, a very great improvement in the conditions in these beverage rooms.

I would say to the hon. member that that is where that regulation stems from. It is a matter of having good operation and orderly conduct in beverage rooms, and I think he would hesitate to undo that. I think that is the foundation of it, and I would be interested in the hon. member's point of view in that regard.

We are anxious, in Ontario, with our beverage rooms, to have places that are well run, attractive, a credit to the owners and a credit to the administration of the Act, and places that give our province a good name not only for our own people but for visitors who come to the province.

MR. WREN: I would like to say to the hon. Prime Minister I would not hesitate to part with that regulation. I do not think it is a good one. I do not deny we need something more in our beverage rooms in Ontario.

HON. MR. FROST: One thing which might be done would be to increase the size of the glass.

MR. WREN: Let us do that, but let us not extend the ability to the purveyors of the bottle to put it up in greater quantities, if they wish. Certainly, there are situations in this city—let hon. members look out of their windows—licenced premises where one can buy a bottle of whiskey, pay for it by the cork, and drink to one's heart's

content. The working "Joe" cannot afford to do that.

HON. MR. FROST: Where is that place?

MR. WREN: I will take the hon. Prime Minister out some day.

HON. MR. FROST: I have a lot to learn.

MR. WREN: What I am trying to get at, Mr. Prime Minister, is that there is far too much regulation of the "little fellow" who is trying to run a hotel, trying to cater honestly and properly to a group of people he knows in his own community and handles and controls them. He has to fight his way constantly through a maze of inspectors who, if they took a look around the "holy city" first, would find enough to keep them busy for many months without going out to northwestern Ontario.

There is another matter I want to take up, which I feel is a very important one, and about which I have had a great deal of concern for some time. That is, a fur marketing service which is not available to the Indian population in the north. I am not offering this in any critical vein at all. I think the time has arrived when this government and the Indian administration in Ottawa should work out a system of fur marketing for these people in the north.

I say to hon. members, and I can produce many columns of figures to prove it, these Indian people in the north, and some of the white trappers as well, are being taken for a "ride." If we can set up this service for agricultural products, and I have no quarrel about that, I do not know anything about that subject, if we can set up a marketing board to process the products of other industries in this province, I do not see why we cannot do it with fur.

In that connection I would like to say this: tied in with that because of the fluctuating prices on the fur market, generally, I would like to

recommend, to the hon. Minister of Lands and Forests, that in future he should not grant outfitting licences to persons other than Indians in the hinterland area north of the trans-continental Canadian National railway line. There are a few white operators there now, and I would not suggest, for a moment, they be disturbed. But I would suggest very seriously that outfitting licences north of the Canadian National railway line be restricted in future to people of Indian origin only.

I think this procedure, a proper scheme of fur marketing through the winter and giving outfitting licences to these people in the summer would give them sustained income.

I would like to say a word about policing in the north. I have always been a genuine admirer as to the efforts of policing in the north of Ontario. The provincial police are doing an excellent job under difficult conditions. Salaries have been increased as far as the police force is concerned, but, I repeat again, their income in relation to their duties in the northern areas of the province is not adequate. I can appreciate the difficulties of paying a man of a given rank any more money than he would be paid in another section of the province, and for that reason I would suggest that the administration do everything possible to hasten living quarters for these men in the north, and to hasten completion of other facilities at large.

I would also advance one more suggestion in that regard. The hon. Prime Minister indicated this morning that the northwestern section of the province is going to increase in population, and with this increase there are going to be increasing problems of administration of justice and policing. Therefore I think it may be a good time for the province to initiate a programme of recruiting young, single men into the police force, and training them, perhaps, in conjunction with the Royal Canadian Mounted Police training schools, for 6 months or whatever might be necessary, and retaining them

for, say, 3 or 4 or 5 years in a single status.

It would be a good policy to use these men entirely for northern services and recruit them on the understanding they are going to be used in the northern regions of the province. I think that would eliminate many of the financial difficulties in which these men find themselves because living there is sometimes costly, and movement of constables and patrols likewise expensive. I advance this suggestion for what it might be worth.

One more phase of police activity which might well benefit police, and everyone concerned, is for some method of dispensing information to be set up between a police force itself and the press. A great deal of misinformation gets around, at times, because constables are many times both too busy, and, actually, not trained in public relations work, to see that the proper information is made available to the public. I think that most other departments use extensive staffs of public relations officers. I think it might be well if a police region were allocated one public relations officer for that purpose.

About The Department of Highways, I do not have a great deal further to say until the estimates come out in the budget debate. But I was pleased to note a recommendation by the chamber of commerce this morning for wider and better highways between the Lakehead and the Manitoba boundary in anticipation of heavier traffic after the completion of the St. Lawrence seaway.

There is one other aspect of that situation that I would like to repeat again, because I think it bears repeating. And that is a concern, among other things, for the growing increase in the size of some of our highway trailers. They are becoming larger and larger and more and more dangerous, and I will repeat what I have said to this House on other occasions.

We are going to have to take the step and take the box cars off the high-

ways and put them back on the railroads where they properly belong, because in the northern section of Ontario, particularly, with heavy truck and trailer developments which we certainly anticipate, the hazards of highway safety and proper control of traffic, generally, are going to be greatly enhanced, particularly on two-lane highways which we have at the present time, and probably will have for some time to come.

I do think that some restrictive measures should be undertaken at once to restrict these trailers to the size they are, at least, at the present time.

There are other matters of individual import across the district, which I will not mention here, but will bring to the attention of the hon. Minister of Highways (Mr. Allan), but I do repeat, again, the urgency with which the people in our part of the province are looking for the completion of the trans-Canada highway across north-western Ontario.

The hon. Leader of the Opposition (Mr. Oliver), and some others, have mentally calculated it might take 35 years to complete highway No. 401 across southern Ontario. While we are interested in what is being done down here, I do not think we are too concerned about that at the moment, but I do know, in my own riding, a previous administration plus this administration have taken 22 years now—since 1931—to actually rebuild a portion of the highway through Dryden and Oxford districts. I do not know why they complain about taking 35 years to do highway No. 401, because it has taken us 22 years to get about 18 miles of highway rebuilt, and I hope that it can be successfully completed this year.

I make this suggestion in all earnestness to the hon. Minister of Highways: that in future, when extensive building or rebuilding of highways takes place in our part of the province, the department do as is done in other parts of the province and under American jurisdiction—provide adequate detours around the work before the work is commenced.

In Dryden district, particularly, it is a matter of concern and has been for 8 or 10 years, that right in the middle of the tourist season, the highways are impassable because of construction work going on with no adequate detours.

In conclusion, I want to say a word or two about immigration. The hon. Minister of Planning and Development (Mr. Nickle) indicated to us in his report the other day, along with that of the hon. member for Bellwoods (Mr. Yaremko), that this government is taking care of those unfortunate people in Hungary. I think this House joined in approval of the action. I think, again, our deer-hunting friend might be largely responsible for some of the things that happened in Europe, because I am an amateur radio fan myself and have heard a number of these voices directed to these European countries, American voices, suggesting to these people to revolt, revolt, revolt. When those unfortunate people did revolt, they were left, not only in the hands of the United States, but in the jurisdiction of the other people. The Americans took the attitude that "it is an internal problem of Hungary and we cannot do very much about it."

I do express some concern, not with what we are doing for these unfortunate people, but with the fact that some preference seems to be indicated against other people from countries which had suffered the same oppression from a Communist domination of eastern Europe.

Just the other day, the hon. Minister of Health (Mr. Phillips) and the hon. member for Rainy River (Mr. Noden) expressed the fact that some of our universities have already advised these students that their fees will be increased to \$75 and upwards in the very near future, while people from Hungary will be permitted to classes free of charge.

Now, we have no quarrel at all with the admission of these people and their assimilation into our society as quickly as possible. But I do think consideration should be given to some other races or

people at the same time, and certainly when passage is at such a premium.

I think it is indicative that a great many people from Great Britain and from some of the European countries have been waiting many, many months indeed for passage to this country, and if Ontario is desirous of co-operating with Ottawa and bringing people into Ontario, I think some consideration should be given also to other groups from other lands who perhaps would be willing to pay their way without interfering with the passage of people from Austria to this country.

MR. A. J. CHILD (Wentworth): Mr. Speaker, I would like to offer my congratulations to you and say how pleased I am to see you again in that position.

In serving the people in our ridings we have many duties which involve departments of government. I do not propose at this time to recount the services and activities performed by each of the hon. Ministers of the government; but I do, in particular, wish to refer to one of the hon. Ministers who, I believe, is giving outstanding service in the operation of his department.

I know the hon. Leader of the Opposition (Mr. Oliver) sometimes feels that this is being made into an admiration society by continually referring and heaping praise on our hon. Ministers but in the past I have, and probably will today, find it necessary to criticize some departments, and on that basis, I think if I can criticize I should be in a position to give credit where credit is due.

I am referring, of course, to the Minister of Public Welfare (Mr. Cecile), who not only has a difficult department to direct from an administrative point of view, but one in which almost every move has a direct effect upon the giving of aid and comfort to thousands of persons who must rely on governmental funds for their support.

I know, as hon. members well know, that it is quite impossible to grant

assistance beyond the terms of legislation. But, although we might all wish to see more money expended in favour of those cases which need financial help, it is the spirit of the department that appeals to me. I would say from my own experience, and in talking to other hon. members, that every benefit of doubt is given to the cases coming to the attention of The Department of Public Welfare.

Favourable strides of progress have been made in the past few years, and I am fully aware of the hon. Minister's determination to continue to give the most effective administration possible in directing welfare services to our people.

The hon. Minister is a comparatively young man with much experience. I think that he is one of the most courteous and sympathetic hon. Ministers to be found in the government. His tolerance and broadmindedness are most notable. He has always given his kindly support to measures which recognize the "little people."

I am very much impressed with the manner in which The Department of Public Welfare extends itself on all occasions in meeting the big and little problems of our citizens. Surely, it is obvious that the administrative problem looms large because the interests of this department are concerned with thousands of individual persons.

On behalf of the citizens of my riding, and myself, I am thanking the hon. Minister of Public Welfare for the job he is doing, and I would be remiss, Mr. Speaker, if I did not mention the outstanding job that is being done by the hon. Minister's deputy, Mr. James Band.

There is one group of people for whom I have the greatest of admiration for the courage they develop in living with their handicaps. I refer to those who are suffering from blindness. The great blind poet John Milton had much to say on the subject of his own blindness, but this one quotation strikes me

as being particularly appropriate. He said:

A little onward lend thy guiding
hand
To those dark steps, a little further
on.

Like most hon. members, some of my constituents unfortunately are blind and many of them have discussed problems with me. I know they have the sympathy of all hon. members, but many of them need more than just sympathy. They need greater assistance—their requests are not unreasonable.

All the sightless people ask for is a chance to live as normal people and certainly they cannot do this on \$40 a month, which we must all agree is totally inadequate. We must recognize that the cost of living is higher for the blind man than the sighted. I firmly believe that the means test should be removed, or the limit of the earned income raised to a reasonable level, so that any income a blind person may earn through his efforts would not become a charge against the pension being paid to blind persons.

At the present time, blind persons working part-time are discouraged from doing additional work to increase their income because with the first \$480 above the means test level they lose all or a portion of their pension. Blind persons owning property or possessing cash beyond a certain value are not entitled to the pension, or in some cases only a partial pension.

We must all recognize the fact that blind people, whether married or single, have added expenses in employment, recreation, transportation and living, not experienced by those who are fortunate to have their sight. Blind homemakers need help that must be paid for unless it is to be taken and considered charity. This includes help like doing repairs and maintenance, like many of us do around our own home, repairing a door, putting up storm windows and screens, painting and decorating, and even shopping for personal and household needs. A blind housewife may need help in the home

for such daily household chores as sewing, mending or laundering. These and other reasons prove that blindness as well as being a physical disability is also a serious economic handicap.

I realize, Mr. Speaker, that the province's part in the blind persons' pension is a matter of administration and contributing 25 per cent. of the cost of the plan on the legislation laid down by the federal government. But I would suggest that the hon. Minister of Welfare use his influence and bring pressure to bear on the Liberal government in Ottawa to adopt a more human attitude and not only increase the pension but to either abolish or raise the level of the means test.

Mr. Speaker, inasmuch as the government of Canada is paying these funds out of a separate account, to which our people direct taxation payments for the purpose, it would be most reasonable to bring this suggestion to the attention of the federal government. A universal pension should be extended to all blind persons attaining the age of 50 years. This would give some measure of contentment and security, without resorting to the confining financial regulations which are effective at this time.

Mr. Speaker, I read with interest the other day the reports of the birthday party given by the Liberals for Rt. hon. Mr. St. Laurent's 75th birthday. Possibly the most interesting part of the article as far as I was concerned was that part which gave the menu which included an imported wine at a cost of \$10 per plate. It seemed to me when I was reading the article, that the Liberals can pay \$10 for one meal, but they expect many people for whom they are responsible to live on \$40 per month. The blind pension, along with the old age pension have, for a number of years, been totally inadequate to support those whose only income is the \$40 per month.

It would also appear that the Liberals do not agree with the hon. Minister of Labour's (Mr. Daley's) remarks regarding the quality of wine made in

the Niagara peninsula, as they prefer to serve an imported wine.

MR. OLIVER: That is pretty cheap.

MR. CHILD: It is quite true.

MR. OLIVER: That does not help it any.

MR. CHILD: That is what I wanted the hon. Leader of the Opposition to admit.

MR. WHICHER: Mr. Speaker, could I make a remark?

MR. CHILD: Yes.

MR. WHICHER: For your information, the federal government is paying to the people of Ontario who need pensions \$139,562,000, and this province is paying \$5,418,000.

HON. MR. FROST: What pensions?

MR. CHILD: Would the hon. member mind telling me how much they take in taxes from the province of Ontario?

MR. WHICHER: Never mind what they take in taxes.

MR. CHILD: Would the hon. member mind answering that?

HON. MR. FROST: What about the couple of billion dollars they take from us and give very little back?

MR. WHICHER: You are paying \$5,418,000 and they give back \$139,562,000.

MR. MacDONALD: We should not be giving anything, that is their duty.

MR. WHICHER: Why do you not cut it right off?

MR. CHILD: Many of our senior citizens are living like paupers, with rent for a dingy room taking up most

of the \$40, so that they scarcely have enough left for one good meal a day. How can any person be expected to live on \$40 a month these days and pay rent, clothe and feed himself?

Obviously the Liberal government in Ottawa does not seem to care, although possibly with an election coming up there is a chance they might give it some consideration. Both old age pensioners and the blind are the responsibility of the federal government and I suggest, Mr. Speaker, they have shamefully "welshed" on their responsibility, even though they have a surplus of more than \$400 million.

MR. WHICHER: That is utter bosh.

MR. CHILD: The hon. Leader of the Opposition stated last week that no government has a right to be called great or good unless it meets in adequate fashion the needs of those who have to be cared for under its particular jurisdiction. Well, Mr. Speaker, it is the first time in the 6 years that I have been sitting in this House that I have heard the hon. Leader of the Opposition admit the truth, that the Liberal government in Ottawa does not have the right to be called great or good.

MR. OLIVER: Who wrote that speech?

MR. CHILD: I wrote it, thank you. Mr. Speaker, I did not intend to put this in.

MR. WHICHER: Put it in.

MR. OLIVER: And add anything to it.

MR. CHILD: I did not have an opportunity of hearing the hon. member for Bruce but I must say I was surprised to hear the somewhat personal attack the hon. member made on the hon. Prime Minister regarding personal pensions. We all know that the universal old age pension was brought about largely

through the acceptance of the hon. Prime Minister's plan in 1950 at the federal-provincial conference.

MR. OLIVER: That is the first time I ever heard that.

MR. CHILD: Well, it is quite true. You see, your pipe line to the hon. Mr. Harris has not been functioning as well as it might.

MR. OLIVER: That pipe line has a lot of branches.

MR. CHILD: I do not think this government or the hon. Prime Minister have to take a back seat to anybody when it comes to the care of elderly citizens of this province. And let me point out another thing, that it is this province which is contributing to homes for the aged, the federal government does not contribute a nickel, nor do they, I think, care except possibly at election time when we may expect to hear something about an increase in pensions so that, as I said before, it will give them an opportunity to try and buy a few votes.

MR. OLIVER: Even an election would not move this government to do its obvious duty.

MR. CHILD: One cannot do more than one's best, which we are doing all the time, and certainly I have never heard of any "sunshine budgets" coming up at election. I know that no promises were made in my riding regarding what this government was going to do or what I was going to do. What we said was that we would try to go on giving good government, and that was it. The people accepted it as such.

Since hon. members opposite have raised the subject, I believe there was some controversy here the other day regarding a statement made with respect to education, that the province at this particular time said that they were paying 50 per cent. and that that figure dealt with a 1953 promise.

HON. MR. FROST: 1943.

MR. CHILD: Well, the statement was made that we were paying 50 per cent. and it referred to a figure pertaining back to 1953 when the statement was made.

MR. WHICHER: No, it was 1943.

MR. CHILD: 1943?

MR. OLIVER: Yes.

MR. CHILD: This, to hon. members opposite, is supposed to be somewhat of a surprise, this is the first time they are supposed to have heard it. May I point out to them that it was no surprise to the Liberal candidate in Wentworth riding in the last election, because I used it on a platform during a debate when he put forth the same argument, that we were not paying 50 per cent. of the cost of education, and I remind hon. members that that promise was made in 1943, and we were paying more than that at the time, so it was no surprise.

MR. OLIVER: No one but the hon. member for Wentworth could argue that way.

MR. CHILD: Mr. Speaker, I may not be as well versed in some things as is the hon. Leader of the Opposition, but I do know the truth when I hear it.

MR. WHICHER: When are you going to attack that cabinet?

MR. CHILD: I do not always do that, instead I offer constructive criticism.

I would like now to say a few words regarding highway safety. Both the hon. Minister of Highways and the hon. Attorney-General (Mr. Roberts) have given a great deal of thought and attention to this very important and urgent problem. Thanks to their efforts, we did show an improvement in our fatality record during a 12-month period, an improvement of approximately 11 per cent. But in spite of the improvement there

were still 1,180 persons killed, many of them children, and approximately 28,000 persons injured. The total property damage for the one year 1956 amounted to close to \$29 million. Property damage, although expensive—and by the way this \$29 million the motorists pay for in their insurance premiums—can be replaced, but we cannot replace a human life or a mangled limb that is to be amputated.

The odd part about all these accidents is that they are caused by the average driver who is normally a very thoughtful, attentive husband and father who attends church regularly with his family, but unfortunately it seems that most drivers have a dual personality like Dr. Jekyll and Mr. Hyde, and once Mr. Average Driver gets behind the wheel, the Mr. Hyde personality takes over and the rule of the road becomes the law of the jungle.

It would be almost impossible to change human nature, and since driver education is a long-term proposition starting with our high school students, we can and we will kill many thousands more people, young and old, in Ontario before all or the majority of our drivers are educated to safe, sound driving.

This, Mr. Speaker, is not what you can call a pretty picture but one we must all agree is true. We are killing people on the highways and on the streets in Ontario at the rate of better than 3 per day, and more than 77 persons every day in the year are being injured and disabled.

If we place the value on human life that we claim we do, and frankly, sometimes I doubt it, then I suggest to hon. members of this House that some drastic action will have to be taken if we are going to make any appreciable reduction in the number of fatalities in Ontario.

Three years ago I said, and I believe it is worth repeating, that if an epidemic broke out in Ontario and even a handful of people were to die, the hon. Minister of Health (Mr. Phillips) would have the best medical experts from all over the province and Canada, if necessary, work-

ing on a solution to halt the epidemic, and they would continue their efforts until the epidemic had been successfully conquered, and also I am sure they would take whatever action they deemed necessary regardless of how drastic.

Since we put so much value on a human life when it is threatened by disease, why then do we not put the same value on it when it is threatened by automobile accidents?

Frankly, Mr. Speaker, the automobile industry has created a "monster" they cannot control, nor do I believe they are particularly interested in controlling. With an ever-increasing population, the American and Canadian automobile manufacturers are assured of a good market for their cars even if we continue to kill 3,000 or 4,000 people in Canada every year. And so, since it is obvious they are more interested in selling cars than saving lives, I suggest, Mr. Speaker, that we take whatever action is necessary to substantially reduce the number of fatalities and injuries caused by automobile accidents in the province of Ontario.

However, in order to arm ourselves with knowledge and know-how, I would suggest that the hon. Prime Minister appoint a select committee to investigate safety devices on automobiles. Today's car is a killer and a crippling "monster" but it would be, with human nature what it is, easier to modify the "monster's" design than to change the nature of Mr. Average Motorist.

I have been convinced for many years, and most hon. members have heard me for the past 5 years in this chamber say that the interior of cars can be equipped and designed to reduce injuries and fatalities by 50 per cent. This is not a figure picked out of the air, but a very conservative figure established after a great deal of scientific research by responsible organizations interested in highway safety throughout the North American continent.

As a matter of fact, many groups, individuals and organizations set a much higher figure. These include the Colo-

rado Medical Society and the Indiana state police, who have been conducting a very extensive crash survival survey from actual accidents on their highways, and they have found that a restraining device would have saved 70 per cent. of those killed. Just for the record, I would like to read a paragraph of a letter from the Indiana state police:

We have learned that approximately 70 per cent. of our vehicular fatalities here in Indiana were not caused by vehicular collapse, but rather the human body being thrown about or out of the vehicle. We have also found that more than 50 per cent. of the car doors open under impact condition and permit or cause occupants to be thrown from the vehicle. Various degrees of injury, including fatal, can be acquired from forced ejection.

All of the above tend to prove the value of a safety belt. We do not desire over-confidence or imply the ultimate in safety, but do regard the safety belt as a device that can cause reduced severity of injury.

We found other benefits in using a belt. When rounding curves, they eliminate side thrust of the occupant, the driver's arms remain relaxed and in full control of the steering. There is no leaving the car seat when driving over "quick-culverts" or short rises in the road. The driver and occupant remain seated as they should over rough terrain or slides. There is a surprising factor of comfort over long hours of driving, for they tend to improve posture while riding.

We have numerous favourable reports from users, and a few authentic reports of users involved in accidents that did receive reduced injury.

*Signed by Superintendent of
Indiana State Police.*

The Cornell University report on safety belts which was completed in 1953 states that in their findings the death rate might be reduced as much as 50 per cent. if seat-belts were installed in automobiles. And they, Mr. Speaker,

have spent approximately \$500,000 on scientific research and they have a reputation for being very conservative in their estimates.

Recently, under a New York byline dated August 31st, an article appeared on crash research that was worth noting. Death takes no chances in most fatal automobile accidents, for when people are killed they usually suffer 2 or 3 injuries, each serious enough to cause death.

This is one of the findings from the "Automotive Crash Injury Research Project" of Cornell University. The study seeks to pin down the causes of deaths and injuries as a basis for scientifically engineering the answers to prevent them.

More than two-thirds of persons killed in highway accidents have fatal-type injuries in at least two different body areas, says John O. Moore, directing the research. A main objective is to learn what can be done inside an automobile to reduce the chance of injury or death. The statistics are producing measures of the effectiveness of seat belts, safety door locks, paddings, and other changes recently engineered into modern cars.

During the summer I received a letter from an old friend whom many hon. members will recall, "Bill" Grummett, who for a number of years occupied the seat now filled by the hon. member for York South (Mr. MacDonald).

Knowing I am interested in highway safety, "Bill" wrote me a letter concerning a coroner's report of a fatality resulting from a motor car accident in Teck township on June 20, 1956, and there are two paragraphs which I believe are of particular interest.

Early Wednesday morning the provincial police were notified that an accident had occurred and upon investigation found that a car had been approaching the intersection and apparently the driver suddenly realized the danger and applied the brakes. The car skidded into the intersection and crossed the highway in front of it, jumping a high ditch

and running on the other side where it turned over. Both men were thrown from the automobile and it fell on them. MacDonald suffered a broken neck and Witty was asphyxiated due to the weight of the car.

The jury in its verdict suggested that a large reflector be placed in the intersection so that it would be directly in front of motorists approaching same from the north. It was suggested that this reflector should be quite large, perhaps 18 inches in diameter.

Another suggestion made by the jury was that if safety belts had been installed in the automobile and had been worn by the deceased men, they would not have been injured in the accident.

I might point out that the automobile did not roll over. It merely jumped the ditch and bounced a considerable distance, then fell on its right side and, in doing so, apparently threw both men out the right hand door before falling on them. The car was only damaged on its right side and the hood was partly damaged and torn owing to the fact that the front end of the car struck a guy wire attached to a hydro pole.

In my riding just a few blocks from where I live, a man was killed who would have, I submit, been saved if he had worn a safety belt. I would like to read into the record part of the newspaper report of the accident.

The door of the Ryekema vehicle was flung open at the impact and the victim's head was dragged along the road, his feet apparently caught in the foot pedals. Mr. Ryekema was alone. He was pronounced dead at St. Joseph's Hospital from severe head injuries.

In Chicago on June 15th the American Medical Association also supported the use of safety belts and at the same time took a verbal crack at new car construction.

The late-model automobile — sleek, shiny and powerful — received a strong

battering today at the hands of a group of medical experts. They hit the car both inside and out, from door knobs to horsepower, on safety grounds. The attack came in a morning-long session at the 105th annual meeting of the American Medical Association in Chicago. The session was devoted to a search for the causes behind the tragic death toll, which last year claimed some 38,000 lives. Dr. Woodward listed these simple and sensible suggestions he said are now being put into practice:

Safety belts and body harness helpful in preventing injuries to the head, face and legs; the dash board: collapsible steering wheels; safety locks on doors; the eradication of projecting knobs and buttons; the firm anchorage of seats and higher seat backs to prevent neck injuries.

And, Mr. Speaker, I think it is also worthy of note that the National Safety Council of America has also gone on record as favouring the installation of safety belts.

The following statement of policy was adopted by the traffic and transportation conference of the National Safety Council at its meeting on Sunday, October 16, 1955, and affirmed by the board of directors at its meeting, Tuesday, October 18, 1955:

The National Safety Council recommends the use of seat belts in motor vehicles. The council recognizes that seat belts will not prevent accidents, but can only reduce the severity of injuries in certain types of motor vehicle accidents.

And as late as last week there was further support for safety belts. In the city of New Orleans on the 7th of this month, a noted American surgeon stated and I quote "Drive carefully—the face you save may be your own"!

This warning is made in all seriousness by Dr. Frank H. Mayfield, of Cincinnati, Ohio, head of the American College of Surgeons' Crash Injury Prevention Committee. He is devoting

a considerable part of his professional time literally to helping people save face. "From 59 to 70 per cent. of people injured in automobile accidents suffer facial injuries," Dr. Mayfield said. This, he pointed out, is due to the sudden stop of a car involved in a crash, slamming the occupants against the steering wheel or windshield.

Dr. Mayfield hailed the use of safety belts. "If 60 per cent. of those killed in automobile accidents had bothered to use seat belts, they would be alive today," he said. The recessed steering wheel on most new cars also meets with the doctor's approval. He refers to the "older type steering wheel" as a "dagger pointed at the heart of the driver."

Mr. Speaker, I was happy to read an article in the Toronto *Daily Star* last March which quoted the hon. Attorney-General (Mr. Roberts) as saying, when he was opening the Toronto *Star* Safety Campaign:

"It's frightening how many people are killed because their car doors come open and hurl them out like a projectile," he said. Brought to the subject when he noticed safety belts in the *Star* cars, he gave his views on fatality prevention after accidents. "If they aren't thrown clear they are smashed like eggs against the dashboard, slashed by the windshield or skewered on the steering wheel."

Even such seemingly innocent features as arm rests, door handles and rear-vision mirrors wreak their havoc, he has found. "I believe a prominent surgeon in the U.S. has reported that something like 70 per cent. of the injuries suffered in auto accidents are to the head. He and his fellows are appalled by the flood of fractures, as any sensible person must be."

In consequence of his alarm at accident reports, he has noted with favour the trend towards safety belts, steering wheels that give instead of breaking, padded dashboards, doors

with safety locks and recessed fixtures.

Since the hon. Attorney-General is also interested in highway safety and reduction of accidents and fatalities in the province, I do not hesitate to ask for his support in my request for appointing a select committee. If further proof is needed for support on merits of safety belts, I believe this article in the May 1956 edition of *Traffic Engineer* will give it. Title of the article is "State Legislators Consider Safety Belts."

More than any other item of motor vehicle equipment, safety belts are claiming the interest of this year's legislative sessions, a survey by the national highway users' conference reveals. Seven of the 15 state legislatures now convened are considering safety belt measures.

A new law in Virginia requires the superintendent of state police to establish specifications for safety belts, harnesses, attachments and installation, and forbids sale of non-approved types.

Similar proposals are pending in Arizona (where bills that would require safety belts to be installed by dealers on new passenger vehicles sold after July 15, 1957, have also been introduced) and in Maryland.

A Massachusetts bill would require new vehicles registered after January 1, 1957, to be designed for equipment with safety belt attachments. Another Massachusetts proposal would require safety belts on new motor vehicles registered after January 1, 1958; a third would require them on vehicles operated after January 1, 1957; and the fourth proposes a legislative study committee to make recommendations.

In New Jersey, the proposed safety belt enactment would require that vehicles capable of speeds above 65 mph have such equipment after April 1, 1957.

A New York proposal, introduced in both Houses, would require belts

on passenger vehicles manufactured after January 1, 1959; similar twin bills would require such devices on vehicles other than for-hire passenger carriers and dealer licenced vehicles, registered and manufactured after January 1, 1957; and a third pair of introductions would require safety belts on passenger vehicles manufactured after January 1, 1958.

A South Carolina introduction would forbid the sale or installation of safety belts not meeting state highway department standards.

In addition to safety belts, New York bills would require new vehicles to be equipped with such safeguards as: dashboard crash pads, safety steering wheels, telescoping steering columns, shatterproof mirrors, protective roofs, anchored seats and non-spring door locks. A Massachusetts proposal also would require the latter device.

Mr. Speaker, the very legislation that many of the American states are considering was what I have been asking this assembly at least to consider for the past 4 or 5 years, and I suggest that there is ample evidence available not only to justify but merit the setting up of a select committee to investigate all aspects of safety devices and interior design of automobiles. Hon. members may recall, as many of the hon. members of the highway safety committee do, that the automobile industry which opposed my suggestion of safety belts, and told the select committee in 1954 that safety belts were a hazard and would cause fatalities, have now changed their thinking to such a degree that they are advertising safety belts as optional equipment along with padded dashboards as safety features in their new 1957 cars.

Mr. Speaker, I would respectfully urge the hon. Prime Minister to give this matter his immediate attention.

Mr. Speaker, I would like to make a few observations regarding the Ontario Athletic Commission. When I speak on sport, I feel my 27 years in competitive

sport gives me at least a reasonable amount of experience from which to draw.

During the last few months, I have heard some not too complimentary remarks concerning wrestling in Ontario and the Ontario Athletic Commission's part in conducting wrestling matches. I must say I doubted at first some of the statements I heard, even though I have been critical of the operation of the Ontario Athletic Commission for some time, and so stated two years ago when I said that, in my opinion and that of some of my constituents, the handling of the so-called sport of wrestling by the Ontario Athletic Commission was a farce. But after viewing a telecast of the Thursday night wrestling bouts which one of my constituents suggested I do, I decided that anything I had said two years ago was a masterpiece of understatement.

Some 3 weeks ago, I spoke to Mr. Jack Miller who is associated with the Ontario Athletic Commission, and suggested to him that, as he would be speaking to the athletic commissioner in a few days, he might bring to his attention the criticism I have received regarding the unsportsmanlike manner in which wrestling is being conducted in Toronto, and in particular regarding the objectionable behaviour of one wrestler, Gene Kiniski.

I told Mr. Miller that the commission was leaving itself open to severe criticism for permitting wrestling to be conducted in such a disgraceful manner. I don't know if my remarks had any influence or not on the commissioner's decision to suspend Kiniski but anyway, he finally did get around to doing just that and tacked on a fine for \$500 for good measure.

It would be impossible for me to describe to the hon. members the disgusting behaviour that goes on in some of the matches. Wrestling is supposed to be a sport supervised by the Ontario Athletic Commission. Apart from the utter brutality exhibited by many of the wrestlers, and the sloppy circus-like

performance of the referees, is the fact that the wrestlers, any time they feel like it, slap and push the referees who, I understand, are appointed or supposed to be appointed by the commissioner.

MR. COWLING: Mr. Speaker, I wonder if the hon. member would answer a question, just on the wrestling bouts. He says they are disgusting and pretty bad, and I would point out that I think they had 14,000 interested people there a couple of night ago to watch. My question is this: a great many of our citizens think professional hockey is pretty rough; would he also suggest we cut those broadcasts off on a Saturday night?

MR. CHILD: The cardinal sin in any sport, and I have played in 4 or 5 sports outside of hockey and even had a try at wrestling when I was at Ontario Agricultural College, the cardinal sin is to strike or push the referee in any sport, whether it be hockey, baseball, lacrosse or football. If a person did, he would be suspended in all probability from organized sport for at least a year if he were lucky, although his chances would be more likely to receive a life suspension.

I recall two Canadian players in England at a hockey game at Streatham being suspended, one for life and the other for 3 years, for pushing and striking the referee, yet the government-appointed referees whose appearance resembles some third-rate cook in a "greasy spoon" restaurant are slapped and pushed around like comedians in a two-reel slapstick comedy.

MR. GROSSMAN: He is taking himself too seriously.

MR. CHILD: I don't think a person can ever take himself too seriously when it comes to good sportsmanship.

MR. GROSSMAN: I said the wrestler.

MR. CHILD: Well, not too long ago there was a cock fight in my riding

which was raided, and I think they found 150 people. I think we could fill an arena with 15,000 people if they wanted to go and see a cock fight, and if we had bullfighting in Ontario we would always fill a stadium. That does not say that I approve of it.

MR. COWLING: The hon. member is not saying those audiences are blood-thirsty.

MR. GISBORN: Mr. Speaker, could I ask the hon. member a question? Does he think the apparent brutality in the wrestling bouts are on the up and up, or does he not think that the referee is part of the wrestling show?

MR. CHILD: I would hate to think this government was any part of any faked or crooked wrestling matches. Maybe I am a little naive, I do not know.

MR. GISBORN: The hon. member did not answer my question in the way I asked it.

MR. CHILD: No, but I would hate to think that much was wrong with anybody as far as being crooked in sport is concerned.

MR. WHICHER: Does the hon. member think it is crooked?

MR. CHILD: I do not know.

MR. WHICHER: It is associated with this government.

MR. CHILD: Mr. Speaker, through you to the hon. Prime Minister and the hon. Minister of Labour, I suggest that the commissioner should be asked to appear before the commissions committee to explain why such conditions are permitted in the so-called sport of wrestling, and because I believe that no civil servant should be criticized unless he has an opportunity to give his side of the story.

I would most strongly advocate that all films taken of the Thursday night bouts

in Toronto since December 1st, which were telecast on Saturday evenings, be obtained and shown to the committee so that they may see for themselves the type of wrestling shows that had been conducted in Toronto. Frankly, I would like to know who is running wrestling in Ontario, the commissioner or the promoters.

I would also like to know why Kiniski's suspension was only for 4 weeks and why the suspension was just for Toronto. Why should the sports fans in Hamilton have to watch a wrestler whose objectionable behaviour is considered undesirable in Toronto and as the commissioner stated, whose behaviour was detrimental to the best interest of wrestling? The commissioner suspended him only for Toronto. I do not know whether the commissioner is aware there are other places in the province of Ontario, but, after listening to some of the hon. members of this House, I sometimes wonder myself.

MR. WHICHER: I do, too.

MR. COWLING: The hon. member ought to know; that is where he came from.

MR. CHILD: Well, I was smart. I did live here for a time.

MR. GROSSMAN: He will succeed in returning some day.

MR. CHILD: Just for the record, I do not put all wrestlers in Kiniski's category, but I must say that he has plenty of company. Men like "Whipper" Billy Watson and Pat Flannigan have contributed a great deal in their wrestling careers by the example they have set of clean sportsmanlike conduct, and these men would be considered a credit to any sport. It is a crying shame to permit men like Kiniski to wrestle and behave as he does in Ontario.

It is most difficult, and I might say, embarrassing to speak to a father and

son group on sportsmanship when teenagers know that the Ontario Athletic Commission permits referees to be manhandled and wrestlers to behave in such an unsportsmanlike manner that expresses utter brutality. I believe it would also be in the interest of the hon. members of the Legislature if the question of amateur sport and promotional work in athletics were discussed with the commissioner before the commissions committee.

Mr. Speaker, I sincerely hope in the interest of good clean sportsmanship that the hon. Prime Minister and the hon. Minister of Labour will give this matter their immediate attention, because certainly "Whipper" Billy Watson has not built his reputation on that, and "Whipper" Billy Watson is considered a very good drawing card both in Canada and the United States.

I would suggest to the hon. Prime Minister and to the hon. Minister of Labour that the commissioner should be brought before the commission's committee, and I say this not just because I would like to know what is going on as far as the commissioner is concerned and the means by which wrestling is being controlled, but also because of the fact that I have criticized him and I think he should be given at least an opportunity to state his side of the question. I think it would be fair, and I think possibly amateur sport and promotional work in all athletics could be discussed at the same time.

MR. MacDONALD: Did not we have the commissioner up last year?

MR. A. GROSSMAN (St. Andrew): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. L. M. FROST (Prime Minister): Mr. Speaker, tomorrow we will have continuation of the debate on the amendment to the motion in reply to the speech from the Throne.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I thought

there was some intimation that the report of the air pollution committee was going to be tabled tomorrow?

HON. MR. FROST: Mr. Speaker, I am glad that the hon. Leader of the Opposition drew that to my attention. The report of the air pollution committee will be tabled tomorrow, and I thought that it would be better to have it tabled and allow hon. members to see the report before the debate on it takes place.

It seems to me that it would give hon. members an opportunity to know what the report is about before the debate commences; so that if it is tabled

tomorrow, I will ask the hon. member for High Park (Mr. Cowling), the chairman of the committee, to ask at that time for an adjournment of the debate or of remarks in relation to the report so that it can be got on the order paper. I think that would be the better procedure.

MR. OLIVER: Thank you.

Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5.45 of the clock p.m.



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, February 14, 1957

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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER
Roderick G. Lewis, Clerk

THURSDAY, FEBRUARY 14, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. S. L. HALL: Mr. Speaker: I beg leave to present the second and final report of the standing committee on standing orders and move its adoption.

CLERK OF THE HOUSE: Mr. Hall, from the standing committee on standing orders, presented the committee's second and final report which was read as follows and adopted:

Your committee has carefully examined the following petitions and finds the notices, as published in each case, sufficient:

Petition of the Corporation of the City of Ottawa praying that an Act may pass confirming an agreement between the corporation and the federal district commission.

Petition of the Corporation of the Township of Crowland praying that an Act may pass confirming a by-law for the issue of debentures to cover the cost of certain local improvements.

Petition for the incorporation of the Ontario Professional Foresters Association.

Petition of the Corporation of The Royal Trust Company praying that an Act may pass amalgamating the cor-

poration and Barclays Trust Company of Canada.

Petition of the Corporation of the Township of Brantford praying that an Act may pass ratifying the purchase and sale by the corporation of certain industrial lands in the said township.

Petition of the Corporation of the Town of Barrie praying that an Act may pass empowering the corporation to exempt certain lands from taxation except for local improvements; and for other purposes.

Petition of the Corporation of Community Chest of Greater Toronto praying that an Act may pass vesting in United Community Fund of Greater Toronto all donations, gifts, legacies, etc., to which the petitioner is, or may become, entitled.

Petition of the Board of Education for the City of Windsor praying that an Act may pass validating a pension plan for non-teaching employees.

Petition of the Corporation of O'Keefe Centre praying that an Act may pass empowering it to hold certain lands in perpetuity.

Petition of the Corporation of the City of Toronto praying that an Act may pass authorizing an agreement with the Parking Authority of Toronto for underground parking facilities; and for other purposes.

Petition of the Corporation of the Town of Pembroke praying that an Act may pass authorizing debentures for certain public works.

Petition of the Corporation of the City of London praying that an Act

may pass authorizing by-laws to control and regulate the installation and inspection of gas heating equipment; and for other purposes.

Petition of the Corporation of the City of Peterborough praying that an Act may pass amending The City of Peterborough Act, 1908, as amended, to alter the provisions with respect to the manner of voting for aldermen at municipal elections.

Petition of the Corporation of the Township of Scarborough praying that an Act may pass authorizing debentures for certain public works; and for other purposes.

Petition of the Corporation of the Township of Etobicoke praying that an Act may pass authorizing pensions for the employees, and their families, of the corporation or any board thereof.

Petition of the Corporation of the City of Hamilton praying that an Act may pass authorizing the investment of monies levied for sinking fund purposes in such securities as a trustee may invest; and for other purposes.

Petition of the Corporation of the Township of Howe Island praying that an Act may pass excluding the said township from the Frontenac high school district.

Petition of the Corporation of the City of St. Thomas praying that an Act may pass vesting certain lands in the corporation free of trusts; and for other purposes.

Petition of the Canadian National Exhibition Association praying that an Act may pass authorizing the Minister of Agriculture to designate in writing the Deputy Minister of Agriculture to be a member of the board of the association in lieu of the Minister.

Petition of the Corporation of the City of Windsor praying that an Act may pass abolishing the board of control of the said city; and for other purposes.

Petition of the Corporation of the Township of Grantham praying that an

Act may pass ratifying by-laws for sewer construction.

Petition of the Corporation of the Township of North York praying that an Act may pass authorizing by-laws to provide for the amalgamation of two or more street lighting areas, and to provide for retirement allowances for certain employees.

Petition of the Corporation of Sacred Heart College of Sudbury praying that an Act may pass changing its name to the University of Sudbury.

Petition of the Corporation of the City of Sault Ste. Marie praying that an Act may pass empowering the corporation to establish by by-law the Sault Ste. Marie Transportation Commission.

Petition of the Corporation of the Town of Hawkesbury praying that an Act may pass authorizing the corporation to purchase land in the town for industrial purposes and to erect thereon a building to be leased or sold to private industry.

Motion agreed to.

MR. J. MALONEY: Mr. Speaker, I beg leave to present to the House, the first report of the standing committee on private bills and move its adoption.

CLERK OF THE HOUSE: Mr. Maloney, from the standing committee on private bills, presented the committee's first report, which was read as follows and adopted:

Your committee begs to report the following bills without amendment:

Bill No. 2, An Act respecting James Russell, Esquire.

Bill No. 5, An Act respecting the county of York.

Bill No. 6, An Act respecting the city of Chatham.

Bill No. 8, An Act respecting the village of Forest Hill.

Motion agreed to.

MR. A. H. COWLING: Mr. Speaker, I beg leave to present the report of the select committee appointed on Sept. 8, 1955, and reappointed on March 27, 1956, to examine into existing legislation and practice in relation to smoke control and air pollution in Ontario, and move that it be taken into consideration tomorrow.

Motion agreed to.

MR. COWLING: Mr. Speaker, with your permission in presenting that report I do not intend to speak on it, but I would like the hon. members to meet and know the hon. members of our committee who worked so industriously on this report. I would like to have the hon. members stand at this moment, with your permission: the hon. Minister of Mines (Mr. Kelly); the hon. member for Hamilton East (Mr. Elliott); the hon. member for Riverdale (Mr. Macaulay); the hon. member for Brantford (Mr. Gordon); the hon. member for Welland (Mr. Morningstar); the hon. member for Essex South (Mr. Murdoch); the hon. member for Oshawa (Mr. T. D. Thomas). Of course, we were all very saddened during the course of our studies to record the death of the late hon. member Mr. Elmer Brandon, and I would like to say a little more about that later on.

At the same time, while we are passing out the bouquets I would like to mention especially our very able secretary Dr. Fred Evis, and I think on behalf of the committee I should thank the hon. Minister of Health (Mr. Phillips) for having loaned Dr. Evis to the committee over this past two-year period. Dr. Evis is the medico-legal consultant to the hon. Minister of Health and has been of great assistance to the hon. members of the committee in arranging our trips and also in the finalization of this report.

We would also like to recognize Mr. Harry Belyea, director of air pollution control, who gave us some very fine technical and engineering advice; and Mr. Charles Newbury, the scientific

adviser to the Ontario Research Foundation.

There are many others I should mention, and in the course of the debate I shall have an opportunity to do so.

I would advise all hon. members that there will be a copy of this report on their desks within the next day or two.

Motions.

HON. L. M. FROST (Prime Minister): Mr. Speaker, yesterday it was intimated by the hon. Minister of Labour (Mr. Daley) that there would be a meeting of the labour committee. I have had a request that this name should be added to the committee and I beg leave to move, seconded by hon. A. K. Roberts (Attorney-General), that the hon. member for Riverdale (Mr. Macaulay) be added to the standing committee on labour.

Motion agreed to.

Hon. Mr. Frost moves that a standing committee of this House for the present session be appointed to inquire into all such legislation relating to the problem of highway traffic and highway safety in the province, as shall be referred to it by the House, together with all matters which the committee deems to be related to that problem, and to report from time to time its observations and opinions thereon, with power to send for persons, papers and records.

Said committee to consist of 57 members and to be composed as follows:

Messrs. Allan (Haldimand-Norfolk), Auld, Beckett, Belisle, Boyer, Cass, Child, Cowling, Davies, Dymond, Edwards, Elliott, Fishleigh, Fullerton, Gordon, Graham, Grossman, Hall, Hanna, Hunt, Innes, Jackson, Jones, Johnston (Parry Sound), Johnston (Carleton), Kerr, Laverne, Letherby, Lewis, Macaulay, MacDonald, MacKenzie, Maloney, Manley, Monaghan, Morrow, Murdoch, Noden, Parry, Price, Pryde, Reaume, Robarts, Roberts, Root, Rowntree, Sandercock, Scott,

Spooner, Stewart, Sutton, Thomas (Oshawa), Wardrope, Whitney, Wor-ton, Wren and Yaremko.

The quorum of the said committee to consist of 7 members.

Motion agreed to.

MR. OLIVER: Mr. Speaker, this is a standing committee of the House; it is not expected to sit between sessions?

HON. MR. FROST: No, it is a standing committee of the House.

Introduction of bills.

TOWNSHIP OF ETOBICOKE

Mr. W. B. Lewis moves first reading of bill intituled "An Act respecting the township of Etobicoke."

Motion agreed to; first reading of the bill.

TOWN OF PEMBROKE

Mr. S. J. Hunt moves first reading of bill intituled "An Act respecting the town of Pembroke."

Motion agreed to; first reading of the bill.

CITY OF WINDSOR

Mr. M. C. Davies moves first reading of bill intituled "An Act respecting the city of Windsor."

Motion agreed to; first reading of the bill.

BOARD OF EDUCATION FOR THE CITY OF WINDSOR

Mr. Davies moves first reading of bill intituled "An Act respecting the board of education for the city of Windsor."

Motion agreed to; first reading of the bill.

CANADIAN NATIONAL EXHIBITION ASSOCIATION

Mr. A. G. Frost moves first reading of bill intituled "An Act respecting the Canadian National Exhibition Association."

Motion agreed to; first reading of the bill.

CITY OF LONDON

Mr. G. E. Jackson, in the absence of Mr. Roberts, moves first reading of bill intituled "An Act respecting the city of London."

Motion agreed to; first reading of the bill.

TOWNSHIP OF NORTH YORK

Mr. T. Graham moves first reading of bill intituled "An Act respecting the township of North York."

Motion agreed to; first reading of the bill.

COMMUNITY CHEST OF GREATER TORONTO

Mr. Graham moves first reading of bill intituled "An Act respecting the Community Chest of Greater Toronto."

Motion agreed to; first reading of the bill.

CITY OF PETERBOROUGH

Mr. Graham moves first reading of bill intituled "An Act respecting the city of Peterborough."

Motion agreed to; first reading of the bill.

TOWNSHIP OF HOWE ISLAND

Mr. W. J. Stewart moves first reading of bill intituled "An Act respecting the township of Howe Island."

Motion agreed to; first reading of the bill.

CITY OF TORONTO

Mr. Stewart moves first reading of bill intituled "An Act respecting the city of Toronto."

Motion agreed to; first reading of the bill.

TOWNSHIP OF GRANTHAM

Mr. A. C. Jolley moves first reading of bill intituled "An Act respecting the township of Grantham."

Motion agreed to; first reading of the bill.

TOWNSHIP OF CROWLAND

Mr. D. M. Kerr, in the absence of Mr. Morningstar, moves first reading of bill intituled "An Act respecting the township of Crowland."

Motion agreed to; first reading of the bill.

TOWNSHIP OF BRANTFORD

Mr. G. T. Gordon moves first reading of bill intituled "An Act respecting the township of Brantford."

Motion agreed to; first reading of the bill.

CITY OF OTTAWA

Mr. D. H. Morrow moves first reading of bill intituled "An Act respecting the city of Ottawa."

Motion agreed to; first reading of the bill.

TOWNSHIP OF SCARBOROUGH

Mr. R. E. Sutton moves first reading of bill intituled "An Act respecting the township of Scarborough."

Motion agreed to; first reading of the bill.

SACRED HEART COLLEGE
OF SUDBURY

Mr. G. J. Monaghan moves first reading of bill intituled "An Act respecting Sacred Heart College of Sudbury."

Motion agreed to; first reading of the bill.

TOWN OF BARRIE

Mr. G. G. Johnston moves first reading of bill intituled "An Act respecting the town of Barrie."

Motion agreed to; first reading of the bill.

TOWN OF HAWKESBURY

Mr. O. F. Villeneuve moves first reading of bill intituled "An Act respecting the town of Hawkesbury."

Motion agreed to; first reading of the bill.

ONTARIO PROFESSIONAL
FORESTERS ASSOCIATION

Mr. G. C. Wardrope moves first reading of bill intituled "An Act to incorporate the Ontario Professional Foresters Association."

Motion agreed to; first reading of the bill.

CITY OF HAMILTON

Mr. R. E. Elliott moves first reading of bill intituled "An Act respecting the city of Hamilton."

Motion agreed to; first reading of the bill.

CITY OF ST. THOMAS

Mr. F. S. Thomas moves first reading of bill intituled "An Act respecting the city of St. Thomas."

Motion agreed to; first reading of the bill.

O'KEEFE CENTRE

Mr. A. H. Cowling moves first reading of bill intituled "An Act respecting O'Keefe Centre."

Motion agreed to; first reading of the bill.

CITY OF SAULT STE. MARIE

Mr. G. Lavergne, in the absence of Mr. Lyons, moves first reading of bill intituled "An Act respecting the city of Sault Ste. Marie."

Motion agreed to; first reading of the bill.

THE ROYAL TRUST COMPANY

Mr. R. Macaulay moves first reading of bill intituled "An Act respecting the Royal Trust Company."

Motion agreed to; first reading of the bill.

MR. SPEAKER: Before the orders of the day I would like to welcome to the assembly this afternoon students from Loretto Academy from the city of Niagara Falls.

MR. A. WREN: Mr. Speaker, Before the orders of the day I rise on a point of privilege with respect to a newspaper article which appeared in the Toronto *Daily Star* today. The headline states:

LIBERAL MPP WANTS TO TAKE
FROST ON BOOTLEGGER SURVEY

I want to correct the impression left by that headline as it would be corrected by anyone reading the entire article. I would not suffer any hon. member of this House to the indignity of a visit to such an establishment, let alone its leading hon. Prime Minister.

In my speech yesterday I was dealing with premises licenced by the Liquor Licence Board of Ontario and not any illicit bootleggers.

HON. MR. FROST: Mr. Speaker, I am very glad I did not accept the hon. member's invitation.

Orders of the day.

ADDRESSES IN REPLY TO THE
SPEECH FROM THE THRONE

MR. ALLAN GROSSMAN (St. Andrew): Mr. Speaker, first may I add my words to those which have already been spoken by other hon. members of this House commending you for the fine manner in which you conduct the affairs of this House and express the hope that you will be spared many years in good health to continue in that capacity.

The debate on the motion to adopt the speech from the Throne affords hon. members of this House the widest latitude in their references. I wish today to confine my remarks to one field, and it is the problem of the children of our community who have not been blessed with sufficient intelligence to take their full and normal place in our society.

It is, I know, a subject which invites our attention and commands our compassion. The subject is possibly, in discussion, in listening to it, a rather dull one and perhaps does not lend itself to the colourful type of discussion, but my personal experience with this problem some years ago so impressed me, made such an impact upon me, that I have made it my business to do what little I can to bring this problem to the attention of the public generally, and certainly to people who are in a position to do something about it.

There are few people who know about the problems of the mentally retarded. I was going to say there was an "iron curtain" which has descended over this problem, but I think perhaps a better expression would be a "silken curtain." It is a curtain through which we can see something of the problem but one is afraid to lift that curtain

for fear one will become aware of the exact nature and magnitude of the problem. Behind that curtain is a large group of people, many, many of them children, who are living in what might be called a twilight state.

The problems of retarded children are a matter which should bother our social conscience as citizens. Even the most limited investigation of their problems and what is being done about them discloses that, although worthy efforts are being made, both by government and by private organizations, neither an adequate nor a co-ordinated programme of assistance has been evolved.

Hon. members of this assembly are all pledged to the ideal of human betterment. The progressive record of this administration bears impressive testimony to the service rendered by hon. members on this side of the House to that ideal. Consideration of what is required to help those among us who cannot help themselves is not only our duty on grounds of common humanity, but our obligation as servants of the public. As does no other group, the mentally retarded — particularly those who have not reached adult years — qualify for our sympathy as being those who in a very real sense cannot help themselves.

At the outset, may I say that the phrases "mentally retarded" and "mentally subnormal" cover a wide range of disability. They include those who under ordinary circumstances might lead a fairly normal life; others who require social protection of some kind; and still others who will always be totally dependent upon their families or communities. But, broadly speaking, these terms apply to individuals whose intellectual capacities constitute a handicap throughout their entire lives.

In recent years, there has come a slowly changing sense of community responsibility toward the mentally handicapped.

The days when the subnormal child was considered a subject for social

isolation — and even family ostracism — are fading as new methods and ideas of treatment, training and rehabilitation are explored. Earlier attitudes toward the retarded, based on a preoccupation with their limitations, and ignorance of their capacities, are giving way to scientific light.

While research into, and treatment of, mental retardation is still in its infancy — an aspect of the situation I shall come to — it has been clearly established that the functioning of the mentally retarded child is subject to favourable — and unfavourable — influences, and is definitely amenable to training measures.

That there has been this awakening of public awareness to the problems of the mentally retarded children is due in no small part to the courageous and persistent efforts of their parents — to whom I would like to pay tribute.

The fundamental needs of subnormal children are essentially those of all children. But, because of their special problems and special handicaps, access to these necessities are so difficult as to require special provisions. Many retarded children can become valuable assets to their homes and communities. It has been estimated by the United States Surgeon-General that 75 per cent. of the 1.5 million retarded children in the United States are capable of being rehabilitated, of becoming productive citizens.

But to do this involves not only early diagnosis, but appropriate school placement, suitable home management, medical treatment and therapy, directed social and recreational activity. As the child grows, vocational education and guidance, job training and placement, suitable social outlets and living arrangements, must be provided.

For it must be remembered that, whatever the degree of handicap, it exists for all practical purposes from the "cradle to the grave", and an adequate programme of assistance must be based on the needs of all ages, as well as upon the ultimate degree of dependence.

The rehabilitation of the retarded child, therefore, is a many-sided undertaking, involving many skills, and, where government is concerned, cutting across the responsibilities of more than one department.

A total programme of assistance contemplates such an array of facilities as to put it beyond — far beyond — the resources of the average family which finds itself confronted with the problem.

It is thus a communal social responsibility. In this regard, it is important to consider the varying degrees of disability and phases thereof, in providing services to retarded children; and the extent and role of government and private agencies in making such assistance available.

Speaking generally, provision for the severely handicapped is made—although not as much as is needed — by government, in the form of institutional custodial care. The needs of the mildly handicapped are, to some extent, met within the context of the school system in special classes, and by private agencies.

But between these two there are a great many children of whom only a small proportion are reached by our current efforts. Too often those in this category are, in the words of New Jersey's supervisor of home training for mentally retarded children, "the forgotten ones, living at home without the help which modern techniques in medicine, psychology and social work could bring them."

There are some, of course, who would say that the care of these children who fit neither into the institutional nor educational facilities provided by the state is the sole responsibility of their families. This might be a reasonable thing to expect of the parents of normal children. But such an attitude entirely overlooks the tremendous problems which confront the parents of a mentally defective child.

Parents of normal children have so much to help and guide them in determining what to expect from, and do for,

their children. They have not only their own experiences and those of others in their community to draw on, and all the wealth of information provided by modern child psychology, but, finally, they have the schools where trained teachers will assist them in the education of their children.

No such support exists for the parents of retarded children.

May I just quote from the January-February, 1955, issue of *Children*, a professional journal on services for children and on child life:

The families of mentally retarded children deserve special consideration. The maintenance of healthy family relationships is not an easy job for any family these days, even those where handicapped children are not present. But the additional strains and stresses placed upon the family of a retarded child can lead to many serious personal disruptions and contribute to family disorganization.

To each parent the experience of having a retarded child has an individual meaning and often a staggering impact. Moreover, the mother's and father's ability to manage their child is subject to the influence not only of their own personality structures and the nature of the child's handicap, but also of the attitude of society. If the child and family are held up to public ridicule and scorn, and approached with fear and suspicion, the parents' feelings of shame, guilt, and anxiety will be aggravated.

Anxious and overwrought by their child's condition, many parents of retarded children have also had to bear the callous rebuffs of professional persons who may have falsely reassured them that "Billy will outgrow his slowness—don't worry so much," or the non-professional advice of "friends" to "put him away now before you get too attached to him" for "Billy will never amount to anything."

Waiting patiently for Billy to outgrow his condition, parents become painfully disillusioned as his differ-

ences from normal youngsters become more strikingly apparent with the passing years. Withdrawing Billy from contacts with strangers to protect him from hurt does little to ease his problems and creates many more for his parents. Often the accompanying overprotection retards Billy's functioning further.

Family tensions mount as disagreements between Billy's parents about how to deal with him increase in frequency and intensity. Tense and overwrought, they may come to regard him as the cause of their misery.

Family-service agencies can make a distinctive contribution to the maintenance of healthier family life by offering counselling, financial aid, homemaker, and other services to parents of retarded children. However, for too long they have, with a few notable exceptions, kept their doors closed to these harassed people. Only recently have they more generally begun to take an interest.

Not only is the birth of a retarded child frequently an experience of staggering impact, and its upbringing a terrible ordeal for the parents and other members of the family, but, Mr. Speaker, the resources upon which they can draw are few, advice and information scanty and confusing, and the problem a drain upon their physical and mental health, as well as a sap upon the family pocketbook.

It is with this realization clearly before us that we should consider what is being done and what needs to be, and can be, done. It has been said that the ideal or total programme for the care and rehabilitation of subnormal children would include such things as: diagnostic and treatment clinics; a home care and training service, both for the children and parents, for it has been found necessary to teach parents to teach their children; a recreational and social programme; special classroom instruction in schools; and finally, residential institutional care—all this to be carried on under a co-ordinated effort on the

part of government at various levels and private agencies.

Let us then, in this light, examine just what the situation is in Ontario. But before beginning, may I say, Mr. Speaker, that the problem—and it is an enormous one—is constantly being aggravated by that same factor which is such an influence in geriatrics, which is the problem of the aged. It is simply this:

Modern science has lengthened the life span of the mental retardate, just as it has that of the average normal man and woman. The increase in the numbers of mentally retarded persons is due mainly to improved medical techniques, and grows larger every year.

Just how many mental retardates there are in Ontario, no one knows accurately.

Indeed, it becomes clear as one explores this whole subject, that in the same way as there is a shocking lack of basic clinical research respecting mental retardation, so there is an appalling lack of statistical information on the matter.

As has been mentioned, it is estimated that in the United States, approximately one per cent. of the population are mentally retarded children. Were that ratio to hold in Ontario, one might deduce that there might be over 50,000 mentally retarded children in the province. In all ages, the number of retardates in Ontario is solely a matter for statistical speculation.

The Ontario Association for Retarded Children states that two to three per cent. of the population is the accepted estimate for the number of retarded individuals.

On this premise, the association sets the number in excess of 100,000 in Ontario of all ages, adding that by 1960, it will have risen to between 120,000 and 180,000, of whom more than 60,000 will require some sort of continuing consideration. If this be so, it is by far our largest handicapped group.

Further light on the statistics of retardation is thrown by a perusal of what is being done by public and private agencies in this field.

But right here, Mr. Speaker, lest there be some impression left that this govern-

ment has been remiss, may I say that not only has the province been carrying on an ever-expanding programme of institutional care, but it has initiated a programme of assistance to the major private organization in the field, and in the few years since this has been in operation, greatly expanded and broadened it.

To begin with, The Department of Health provides diagnostic services to retarded children through its mental health clinics. However, I feel obliged to point out that to my knowledge—I stand to be corrected—there is not in Ontario any special clinic, staffed by members of the several interested disciplines, providing treatment services for the retarded. And, the services which do exist do not fully cover the province. For example, mental health clinics exist only in 6 out of the 42 centres where the Ontario Association for Retarded Children operates schools.

Moreover, the clinical approach is all too often connected with institutional commitment. Indeed, staff of mental health clinics are required, should they diagnose a case of retardation requiring treatment, to recommend commitment to Ontario hospital schools. Yet, it is worthy of note that Dr. Howard S. Kelman, psychiatric social work supervisor in the Department of Pediatrics at the Jewish Hospital of Brooklyn, recognized as an outstanding expert, says that, next in importance to family counselling are clinical facilities aimed not only at diagnosis but prognosis and proper planning for the child's care.

The Department of Health operates two hospital schools for mentally retarded children, one at Orillia, the other at Smiths Falls, and this government has indicated that it intends to build another one in southwestern Ontario. Generally, these institutions provide custodial care and training for children over 3 and under 16 who are certifiable as permanently mentally retarded.

The population of the two present institutions last year was 4,138—may I point out that this number represents only those who can be committed. And,

as we are about to see, it by no means represents all those mentally retarded children in the province who are qualified under present standards for admission to our institutional care. For the applications on hand for admission to these special schools at Orillia and Smiths Falls—that is, the waiting list—last year numbered 2,150.

In this regard, it is to be noted that the new hospital school to be built in southwestern Ontario will accommodate only slightly more than the number currently on the waiting list. But I hardly think it wild to surmise that by the time the school is completed, the list will have grown considerably—even as our general population is rising.

The cost of operating the schools of Orillia and Smiths Falls in the year 1955-1956 was \$4,386,784. The staff numbers 703 at Orillia and 740 at Smiths Falls. Each has a medical superintendent and a medical staff of 9. Smiths Falls has two psychologists and one occupational therapist. Orillia has one psychologist and no therapist. May I take this opportunity, Mr. Speaker, to compliment the staff of both institutions on the very fine job they are doing.

In addition, the department operates institutions at Langstaff, Aurora, and Cobourg, in which the adult mentally retarded are accommodated. The number of mentally retarded of all ages in the 5 Ontario hospital schools last year was 5,211. This compared to approximately 15,000 mentally ill patients in Ontario mental hospitals, which gives one an idea of the magnitude of the retarded problem.

It would be well, I think, to distinguish between the mentally retarded and the mentally ill. The retarded are slow thinkers, persons who have a low intelligence of a quotient level below 50. The mentally ill are persons suffering from psychotic or neurotic sicknesses.

Once again, we must remember that these figures concern only certifiable retarded. What of the numbers outside public custodial care? Here we

re-enter the realm of speculation, and the little we do know concerns mainly the school-age group.

The Department of Education—and now we may begin to see how the problems of retarded children cut across the areas of governmental responsibility—the Department of Education operates, and has for some time, special classes geared to the needs of the mildly handicapped. Students in these classes have IQ's over 50, and so are not in the category which is generally regarded as being retarded. Nevertheless, they are affected by some degree of intellectual impairment, even though it might be of a temporary nature.

What percentage of the population of retarded children of school age is enrolled in these special classes and in schools conducted by private organizations is not known. However, in the United States, where retarded children enrolment in the public school system increased 30 per cent. in the 5 years up to, and including 1953—one and one-half times as much as the percentage increase in general school enrolment—it was estimated that not more than 20 per cent. of school age retarded were enrolled. Generally, in the United States, admission criteria for retardates excludes those under 7 with an IQ below 50.

It is worthy of note that at least 6 states—Ohio, New Jersey, Wisconsin, California, Minnesota and Connecticut—have made it possible for severe retardates with IQ's under 50 to enter the public schools, and that, in Ohio 115 classes were established within 3 years of this enactment.

At this point, Mr. Speaker, I feel some observations by the same Dr. Kelman might be relevant. He writes:

While some mentally retarded children require institutional care, all too frequently the necessity for placement has arisen from; (a) the lack of other community facilities and special services; (b) the attitude of professional persons who regard

institutionalization as the only way to deal with the problems of the more obviously retarded child; (c) family problems involving tensions or economic and social considerations. Too seldom is the child's actual condition the determining element.

Then Dr. Kelman goes on to say that parents' reluctance to place their children in an institution, even when it is best, is aggravated by the very real inadequacies of many of them—overcrowding, sparse training facilities and staff shortages. Overcrowding in turn is aggravated by the expanding life span of institutionalized retardates, and such overcrowding often results in neglect of educational and training programmes. "Parents," he says, "whose children need placement face the intolerable dilemma of long waiting lists or of plunging themselves deeply into debt to pay for private care."

Thinking upon these observations, it is pertinent to note that a survey by the United States Office of Education shows that many children in the lower ranges of mental development can, indeed, benefit from an educational programme geared to their needs, and the degree of handicap—and I stress this—that the determination of who can and who might not benefit cannot be based solely on intelligence tests, but must include an evaluation of the child's medical condition, potential for social adjustment, capacities for learning self care, and so on.

The principal agency outside The Department of Education providing for the majority of retarded children who do not qualify for institutional care, is the Ontario Association for Retarded Children. With a membership of 3,100, its local units conduct 42 day schools throughout the province which have an enrolment approaching 1,000.

It was only in 1953—less than 4 years ago—that the hon. Minister of Education (Mr. Dunlop) introduced legislation providing for assistance of this government for the work of the association. Yet in that relatively short period, the province has done a great

deal to help — assistance for which I know the association is profoundly grateful. The province provides grants to association schools for children under 18 years who can look after their physical needs and who will not achieve a final mental capacity beyond that of an 8-year-old. The grants amount to \$250 per day per pupil for half-day attendance and \$500 for full-day attendance, based on average daily attendance. The group under 12 is limited to half-day attendance for grant purposes.

In the fiscal year 1956, grants to the association for its education costs amounted to \$145,000, and there were special grants of \$150,000. In addition, the province also granted \$2,500 to the association. In all, then, provincial assistance amounted to just under \$300,000.

Before proceeding with the association's problems, Mr. Speaker, I should like to add that there are a number of private residential institutions caring for the retarded. According to an investigation by the Research Institute of the Hospital for Sick Children, these number less than 12. It is estimated they provide accommodation for not more than 200. They operate without any form of provincial assistance.

Although their charges are not excessive in relation to the high costs of operation, they are beyond the reach of the majority of parents. Fees range as high as \$100 a month. I might say that in the opinion of those familiar with this whole subject, the establishment of private residences and their increase is due in part to the priority given "trainable" children in admissions to Ontario hospital schools; to long waiting lists for these institutions, and to the fact that no agency, public or private, is directing its efforts particularly to the welfare of pre-school and adult retardates.

Indeed, as the Ontario Association for Retarded Children comments, there is competition for the trainable school age retardate as against the less trainable type and age group.

In addition to provincial assistance, the Ontario Association for Retarded Children receives varying degrees of

help from local governments but it is, in most cases, neither regular nor substantial. However, the assistance granted to the Metropolitan Toronto Association for Retarded Children recently was not insubstantial. I have personal knowledge of this because of the sympathetic interest which the hon. Minister of Education showed me when I, as a member of the metropolitan Toronto council, approached him for assistance in this problem.

The "metro" unit, incidentally, provides day school service for more than 250 children from 5 to 18; a young adult recreational programme for about 25 men and women in receipt of disabled persons' allowance; and a boarding school service for up to 20 children between 6 and 16, designed in part to help child welfare agencies in the extremely difficult task of finding foster homes for retarded children.

Hon. members of this House will recognize what a great benefit that would be, to find foster homes for retarded children. May I say that in every way the metropolitan Toronto association is performing a very creditable role.

Although the scale of assistance from provincial and municipal governments enabled the Ontario association to expand in 4 years from 8 to 42 units, it is not, in the association's opinion, sufficient for the needs. In a brief to the provincial government last November, the Ontario Association for Retarded Children made a number of requests. One of the main ones was for an increase in the per pupil grant.

The basis of the request is the discovery that heavy transportation costs eat into the maintenance and training budgets of many Ontario Association for Retarded Children schools. A survey of units in smaller centres showed that, despite parental contributions and private charitable donations, transportation costs were running as high as 23 per cent. of total budget and 40 per cent. of the provincial grant. In many cases, children had to be refused admission because of transportation costs. This

drain on their resources placed these schools in precarious straits.

It must be realized that transportation to and from school is essential with retarded children. Mr. Speaker, I do not think it requires much imagination to realize how important is transportation to and from school for retarded children. In many instances it is impossible for parents to provide it.

I know from personal experience the case of a woman living in the suburbs, a working mother whose working hours prevented her taking her child to school, and for whom the expense of providing daily cab fare would have been out of the question.

Now it may be argued that the answer lies in smaller schools and more of them. But this is not always possible, and where it is not, heavy transportation costs are inescapable. Inasmuch as such costs are an integral part of the cost of schooling for retarded children, I strongly urge every consideration for the association's request that grants be increased by at least \$10 per month per child to offset these costs.

I have had a great deal of personal experience in this particular aspect of the problem, and while I myself would rather see voluntary agencies—volunteer efforts—to bring these children to a special school, I know, because of the work involved and the locations and so on, it is utterly impossible to have it done on a volunteer basis.

Another request that appears reasonable to me concerns the payment of half-day grants. It is the association's contention that children who do not otherwise have normal opportunities for group training or recreation benefit from such services in Ontario Association for Retarded Children schools at ages well below the 12-year-old limitation. It feels — and so do I — that the restrictions on half-day grants should be changed to enable those under 12 to qualify for full-day grants.

A further suggestion meriting attention is the extension from two to five weeks of the summer course given for

teachers in Ontario Association for Retarded Children schools. As things stand now, there is no standard governing teacher qualifications in retarded children's schools. While some have had regular teacher training, there are others who hold no certificate of any kind, and too few have had special training in teaching the retarded. Local units do the best they can and so far have been able to staff each school with a teacher.

One might think that the Ontario hospital schools would have provided training grounds for such specially qualified teachers, but this is not the case, nor is there, apparently, any effort to make it so.

I would respectfully suggest that there should be such an effort; that the establishment of curricula in teachers' colleges offering courses of study in work with the retarded is a first essential to any overall programme; that until the supply of a sufficient number of properly qualified teachers is assured, the government accept the suggestion of a 5-week course similar to that offered auxiliary class teachers; and that the completion of the course be recognized in some suitable fashion.

Before proceeding to some general conclusions, Mr. Speaker, there are one or two points I would like to touch on. One of these concerns research into retardation.

To begin with I have ascertained that not only is there not much research going on, but there is none going on where one would most expect it—in the Ontario hospital schools. The dearth of investigation into the cause, preventive treatment and rehabilitative techniques in this field is astonishing. There have been, in the past, one or two national health grants approved by the federal government for research in this subject. Currently, I am told, there is an application before The Department of National Health and Welfare for two grants amounting to between \$20,000 and \$30,000 for study at university level in genetics and the biochemistry of cells as they affect retardation. The Ontario

Association for Retarded Children has itself provided \$17,500 for basic research over a 3-year period.

One of the reasons given why more is not done is that research workers seldom have direct access to the problems of mental deficiency. We have an opportunity to rectify this situation by locating the new hospital school in southwestern Ontario conveniently close to the University of Western Ontario. This idea is suggested by the Ontario Association for Retarded Children, and while it may not now be practical in this instance, the purpose behind it should be borne in mind. Were the opportunities for university research broadened, moreover, the federal government could have little excuse for not expanding its participation in this programme.

And this leads me to another matter. Although the federal government sponsors a fairly ambitious programme of vocational training grants to the provinces, instruction for the mentally retarded does not come within its scope. I can see no reason, Mr. Speaker, why it should not, in providing these grants, study the problem of the mentally retarded and the problem of vocational training grants to include the mentally retarded. And I suggest that this might be the subject of representations to Ottawa.

By the same token I respectfully urge the payment of grants under The Rehabilitation Services Act, which is applicable to the mentally as well as the physically handicapped, to Ontario Association for Retarded Children schools for those 18 and over who attend and profit from vocational guidance and rehabilitation training. In commending this to the attention of the hon. Minister of Public Welfare (Mr. Cecile), may I say that while I realize rehabilitation grants are now paid to those who can be expected to be fully restored to the community, this of itself is no reason why their scope should not be extended to include those whom I have just mentioned, particularly as the need is so great. Grants received from The Department of Education, moreover, apply

only to Ontario Association for Retarded Children pupils under 18.

A number of other recommendations made by the association, such as raising the salaries at Ontario hospital schools to a level commensurate with that paid federal civil servants with like skills, deserve our earnest consideration. In giving my support to some of the suggestions in the association's brief, I do so partly because they are things that can be done now and relatively simply.

When we look at the whole problem of mental retardation, however, several things become painfully evident. First, that the present programme, both public and private, is as has been stated piecemeal, lacking in comprehensive planning and the information on which to base and co-ordinate such planing. The information which we have is sparse, it does not give us enough information on which to base such a programme. Of course, we know that the situation is not a simple one and I would be the last one, Mr. Speaker, to suggest that it is.

Recalling the outline I mentioned earlier of the desirable total programme, it is readily apparent that one very significant factor is lacking in our endeavours, and that is a home training plan. New Jersey, a comparable jurisdiction, has 4 institutions for mentally retarded children in operation, but it has also had functioning, since 1943, a home training plan.

I think it is a safe assumption that if there are some 7,500 retarded children in contact with our programme at some point, there are many more at home for whom we are doing little or nothing. It is to this group that New Jersey's home training scheme has brought some of the services and techniques of institutional care.

Massachusetts is another jurisdiction which has long had this type of programme. Through a wide variety of professional skills, it provides parents with counselling in the care and training of their children, acquaints them with the resources of the community so that they may intelligently plan their off-

spring's future, and give them the confidence they need to cope with the discovery that their child is not normal.

New Jersey also found—and this, too, has significance for us—that children were referred to the programme from institutional waiting lists and also that most of the referrals had IQ's below 50.

While a very limited degree of home care is provided by private agencies in Ontario, I suggest that possibly a public scheme like New Jersey's might go a long way, not only to reducing the pressure upon our provincial institutions but to reaching those who are not now the targets of any particular programme.

For this must surely be another conclusion—that our efforts are not only failing to encompass all school age retardates, but are entirely missing the pre-school and adult groups.

Now, if home training is of special benefit to infant retardates, then an adequate programme of recreational and group experience is an important need for older age classifications. Listen to what Dr. Kelman has to say on the subject:

The need for such experience is most acute for children and adolescents who are not attending school. Leading relatively sedentary, isolated lives, these children are ill-prepared to mingle socially or face alone the trying demands of adolescence. Many borderline and mildly retarded youngsters could be successfully integrated into the services for recreational and group experience now in existence with little modification of programme. Since social skills represent the greatest potential for growth for most retarded children, to deny them help in this area means crippling their chances for successful social integration and prolonging their dependence upon others.

This is not to say that no attention is being paid such matters by our public and private authorities. Indeed, many are showing an active appreciation of

their responsibilities. For example, in the metropolitan Toronto association, the YMCA provides swimming instruction for the adult group, and scout and guide leaders teach once a week. And, of course, the association itself conducts an adult recreational and occupational programme.

But here, surely, is a magnificent opportunity for our community centres, our local parks and recreation departments, our youth organizations and our service clubs.

May I turn now, just briefly, Mr. Speaker, to the problem of classroom instruction. As I have tried to indicate, there is a considerable difference of approach to this question in Canada and the United States. Across the border, the main approach to school age retardates is through the public school system, and it is not so limited by the factor of intelligence quotients.

Here, the main emphasis is found in institutional care, classroom training is very much influenced by whether a child is "educatable", and beyond a certain degree of disability, school services are provided entirely outside the school system by private agencies.

In this regard, the Ontario Association for Retarded Children has some very positive recommendations. Its policy is to pioneer the development of schools for trainable retarded children. It, therefore, wants the government to provide for the transfer of fully established schools to the authority of local school boards, and for the payment of its per pupil grants to those boards.

To secure the gradual integration of schools for the retarded into the general school system, it also requests that local boards of education be permitted to make limited grants to its schools.

May I say, Mr. Speaker, that I fully realize that the determination of the degree of disability and the nature of the training required is a matter for the professional.

May I also say that I feel very strongly — indeed I cannot emphasize this too much — the desirability of

private participation in all phases of a programme dealing with mental retardation.

Nevertheless, I am obliged to state that if education is the responsibility of duly constituted local authorities, then the schooling of the less fortunate must equally be theirs—for the mentally retarded are children also! I believe it is desirable to encourage, wherever possible, the integration of retarded children into the general school system.

Finally, may I say that although we have been principally concerned with the school age retardate, it would be foolish to suppose that the problem ends there. As the mentally retarded child grows into adulthood, he is unlikely to find his productive capacities put to use unless a programme is evolved to sustain him in the community under non-competitive conditions.

The extent to which we now assist subnormals over 18 is through disabled persons' allowance. Roughly a third of the 7,600 people in the province receiving these allowances are mentally retarded—one of the few clues, incidentally, to the number of adult retardates. However, these allowances are paid only to retardates who are totally and permanently disabled.

Inasmuch as the needs of this class of adult are not being considered under The Rehabilitation Services Act, our present policy would seem to lend weight to the charge that we are presuming the mentally retarded must either become fully independent, self-supporting adults or else totally disabled and dependent, a theory, of course, completely in conflict with the evidence.

If the adult retarded are to be kept in this highly specialized and competitive society of ours as useful citizens, it will be necessary to provide more private residences, perhaps to subsidize them, to provide such things as job training centres and sheltered employment workshops. It is unlikely that this need will, or can, be filled by volunteer effort alone. Once again, I suggest, it is a field for partnership between government and private enterprise.

The magnitude of the problems of the mentally retarded is of such proportions, Mr. Speaker, and affects so many fields of government, so many jurisdictions, so many private organizations and individuals, that I believe it might well be the subject of special study by either a select committee of this House or by a Royal commission.

Were we to undertake such an investigation of a better programme for the mentally retarded, of the proper role of private and public agencies, of how to co-ordinate the services of all levels and departments of government, I believe we would be following in the great tradition of this government in pioneering advances in human betterment. But if we neglect this problem, I fear we shall pay the price in costly institutional care and the loss to the community of a potentially valuable social contribution.

MR. G. E. JACKSON (London South): Mr. Speaker, following the custom of the House, I would like to congratulate the mover and seconder of the speech from the Throne. They both showed their powers of clear thinking and ability to express themselves, and I do sincerely wish to congratulate them on a job well done.

In the speech from the Throne, hon. members will recall, reference was made to highway safety, financial responsibility laws, and to the fact that owner-vehicle registrations rose by 6 per cent., and the government, quite rightly, has been calling on everyone to become safety conscious. These are facts we should all consider most carefully. It will be noted that the hon. Prime Minister (Mr. Frost) today appointed a standing committee of the House to study the matter of safety on our highways.

Concerning this problem, there are two things I would like to bring to the attention of the House and these points should be studied separately by this committee. The question of highway safety is such a large and all-embracing one that in any discussion one cannot lead away from it entirely.

The first problem is the ever-increasing number of accidents on our highways and how to reduce them. The second problem, which invariably comes up in any discussion in which I have ever participated, is the problem of the victim of the negligently caused automobile accident who is entitled to recover for his damages but remains uncompensated.

This first problem naturally affects everyone in the province and I think the government is to be congratulated on the safety education programme it has carried on through the department of the hon. Attorney-General (Mr. Roberts), in trying to educate the people to be safe drivers.

I feel, however, that education will go only so far and is not the true answer to the problem. I would recommend to any committee which might be appointed to investigate highway safety that much more than education can be done to achieve the desired end. I would urge the adoption of uniform traffic laws with regard to the first programme which is highway safety, and ordinances throughout the province. Hon. members may notice that I say "throughout the province", and I am emphasizing all the province, municipalities included. I urge the province-wide use of sensible speed limits and the examination and strict licensing of drivers and the impounding of cars where such action is deemed necessary.

Hon. members will see right away that it is quite obvious there would have to be more police to adequately enforce these orders, which is quite true, and that perhaps could be another point for consideration by the committee.

I would like to call upon the automobile industry to revise their thinking and the manner in which they sell automobiles. We heard yesterday the hon. member for Wentworth (Mr. Childs) speaking of safety devices inside the automobile, but my approach to the problem, while not disagreeing with the hon. member's, is the manner in which the automobile industry advertise their automobiles.

On the one hand we have The Department of the Attorney-General urging caution and safe, sensible driving; and in the automobile advertising we have the manufacturer sounding the praises of increased horse power, faster "get-up and go," and expounding the theory that his car is faster than any other on the road.

This, I think, is not the psychological way to make people safety conscious on our highways, and I would say to the automobile industry that, if they continue, it is not beyond the realm of possibility that legislation could be passed to limit the horse power allowed in vehicles. Surely there are other ways of selling automobiles.

The second problem I mentioned, the one of the innocent victim who is entitled to recover for his damages but remains uncompensated, is, as I mentioned previously, an entirely separate problem. Any approach to this second problem must begin with a safety programme to reduce the injuries and deaths on our highways, and this is the base for any plan for this one. Here, however, the similarity between the two problems ends and if I may, Mr. Speaker, I would like to take a few minutes to dwell on this second problem and would like to express the following views.

I say that no compulsory motor vehicle liability insurance law can be devised to provide assurance of appropriate monetary relief to the victim of all automobile accidents, whether those accidents are caused by financially responsible or financially irresponsible motorists.

Mr. Charles F. Harrington, former Massachusetts insurance commissioner, who administered the Massachusetts compulsory law longer than anyone else, said that a compulsory insurance law will satisfy no one. The enactment of a compulsory automobile insurance law is only a beginning of legislative administrative turmoil and strife. The fact that compulsory insurance is in force will not solve the automobile accident problem

nor satisfactorily reimburse anyone involved in an accident.

I believe the principle upon which this country has been built is one of free enterprise, and this is most particularly true about Ontario. It is time that the insurance industry, who claim they are more than anxious to help reduce accidents, provide coverage for all, and those who are familiar with our signed risk plan and financial responsibility laws make a concrete proposal.

I do not care whether this proposal is to the committee which has recently been appointed, or to The Department of Highways, or to The Department of the Attorney-General; it is time they came forward, if they really mean what they say, with a concrete proposal. I believe the insurance industry, in close co-operation with the government, should form a committee to study this problem and the first concern of this committee should be a safety programme to reduce the injuries and deaths on our highways and to eliminate as far as possible the incompetent driver, the irresponsible and reckless driver.

As mentioned previously, the answer to this is not compulsory insurance, and bearing that in mind I think those people who have access to a great many records should study the problem and bring it before the House. Many studies have been made on compulsory insurance, as all hon. members know, and for those who are still doubtful of the advisability of compulsory automobile insurance, I would recommend they read the submission made by the All Canada Insurance Federation in April, 1955, which was submitted to the Nova Scotia Legislature on the practicability and desirability of legislation to provide for compulsory automobile insurance.

This committee that I have referred to, and which I strongly urge the insurance industry to act on at once, in my opinion should include automobile insurance underwriters, members of The Department of Highways, and members of The Department of the Attorney-

General. Their aims should be as follows:

(1) Make our highways safer to drive on.

(2) Remove the reckless and irresponsible driver.

(3) Protect the innocent victim from being maimed or financially embarrassed by an irresponsible driver.

(4) Submit a proposal that will almost eliminate the uninsured drivers on our highways, because I do not believe one can totally eliminate this type of driver.

I realize this is a large order, but if the insurance industry is sincere in their statements of willingness to provide low-cost insurance for all, and also to participate in any safety programme and, as they mention time and time again, the improving of the ratio of accidents experienced in the province, I would say the time to act is now. Let them come forward and make their presentation to this standing committee which was mentioned today.

MR. J. J. WINTERMEYER (Waterloo North): Mr. Speaker, first of all I would like to formally pay my respects to you; it has been my great pleasure to pay my respects privately but I do so officially and formally now, and likewise to my hon. leader (Mr. Oliver), to the hon. Prime Minister (Mr. Frost), and to all hon. members of this House who, in spite of our political differences, are a very compatible and friendly group.

Mr. Speaker, it surprised me a little bit that the government should take the opportunity to introduce the subject of fiscal problems and financial affairs prior to the budget debate. However, in view of the seriousness and the importance of the provincial-federal fiscal arrangements, I wholly concur with the introduction of that subject at an early date in this session. I have no objection to the strategy and I am sure you, Mr. Speaker, will permit me the opportunity to make some comments on what has been said thus far with respect to fiscal arrangements.

I think all hon. members agree that the agreement which has been proposed by the federal government is a serious matter and deserves the utmost attention from this House. A few days ago the hon. member for Riverdale (Mr. Macaulay) rose in this House and gave what I thought was an excellent presentation of his side of the story. I commend him on that. I think that he did this House a real service in the direct, simple and clear way in which he set forth one side of the problem.

With your permission, Mr. Speaker, I would ask for the opportunity to try and set forth the other side.

I would say that with many of the statements made by the hon. member for Riverdale I have no quarrel whatsoever, and with his statistical information I agree. It is with certain premises that I wish to disagree and with respect to which I want to speak this afternoon.

After all, hon. members know that a person can prove anything, depending on where he starts; if hon. members grant me the concession that man is a soulless being, I can prove that Communism is the most desirable and logical thing in the world. Likewise, in many other respects, depending on the premise that a person starts with, he can proceed to a logical conclusion that would not be permitted from another starting point or another premise.

With that in mind, I would like to focus the attention of hon. members for a little while on what I believe is the central premise from which the hon. member for Riverdale worked, and with your permission, Mr. Speaker, I would read from the *Hansard* report of February 7th, where the hon. member for Riverdale said:

First of all, I would say that there are 3 main sources of revenue, both to Ontario and to Canada. This is the crux of the entire tax agreement, and if the point is missed then the entire tax agreement is missed.

The 3 most important sources of revenue to Ontario, as well as to Canada, are the personal income tax,

corporation tax and succession duties because these 3 tax fields put together produce over 55 per cent. of all of Ottawa's revenue, over one-half of \$4.5 billion.

Several economists, or, in any event, economists since the turn of the century, and certainly the compilers of the Rowell-Sirois report, have said this:

"He who controls solely these 3 fields of taxation controls the economy of the nation; conversely, unless the central government controls these 3 fields of taxation, it is impossible for them to control the economy of the nation, so that they can bring down and put some brake upon the rising inflation or flatten out the valleys of deflation."

That, Mr. Speaker, is why—and this is an essential fact that one should understand—Ottawa wants to gain sole control of the 3 tax fields—personal income tax, corporation tax, and succession duties—firstly, in order to provide funds to carry out its responsibilities, and secondly, so Ottawa can be in an actual position to control directly the economy of Canada, both of which reasons are sound.

But the simple fact is that Ottawa does not possess the sole right to impose taxes—personal income tax, corporation tax and succession duties. The British North America Act, by sections 91 and 92, gave the provinces and the Dominion the right to impose these 3 fields of taxation, and the fact is that the provinces exercised that right almost immediately after Confederation and did it solely, or, in any event, with the municipalities almost until World War I, because it began—or, at least, it was thought to be—as a reserve of taxation fields to the provinces.

The provinces were the first into it, and the federal government entered into it only during an emergency, promising, as I recall it, to vacate the fields when the emergency was over. The emergency has gone on ever

since 1914, and they have not quit it yet.

So, therefore, since by right the provinces and the Dominion each have an equal right to impose these 3 fields of taxation; if Ottawa wants to be in them all alone, Ottawa must get the provinces out of them. But, since the provinces have the right to have them also, the only way Ottawa can get the provinces out of these fields is to make offers to the provinces, and that is why the federal government offers to the provinces a consideration or a grant. They say: "We will give you a grant if you will give up the right to impose taxation on those 3 fields."

That is, in essence, the basis of the tax agreement between Canada and the province of Ontario and the other provinces of Canada. Therefore, here is the essential issue in relation to Ontario; we are asked to get out of the field of personal income tax and not to impose it; we are asked to get out of the field of corporation tax and not to impose it; we are asked to get out of the field of succession duties and not to impose them.

Now, if we are going to give them up, and since they are our chief source of income, we must be sure that we, in return, obtain from Ottawa sums that at least equal the amount we could obtain were we to impose the 3 taxes ourselves.

That, therefore, is the sole issue. The sole issue is not in the principle of renting these taxes. It is in the principle, or in the issue, of how much any of the provinces, or, particularly, Ontario, should obtain in return.

Mr. Speaker, I think it is fair to say that is the essence of the position that the hon. member for Riverdale took the other day and if I may paraphrase, I believe he intended to say — and I am doing this as frankly and as honestly as I can — he was saying that The British North America Act itself permits a certain amount of overlapping

and particularly in the direct tax field. The provincial governments and the federal government both have a right to tax in the direct tax field and, more specifically, the direct tax field includes among other things income tax, corporation tax and succession duties.

Then, he said, in more recent years these 3 sources of revenue are constantly rising to a point where 55 per cent. of the total revenue of the Dominion government is acknowledged to these 3 forms of taxation. If Ottawa wants to get out of that field, Ottawa must compensate and, therefore, the issue is simply to ask ourselves the question, do we in Ontario need more money? If the answer is yes, then the provincial government says to Ottawa: "How much more money will you give us?" And unless Ottawa contributes what the provincial government needs, the agreement is bad.

I hope I am not being unfair. At this point I am trying to paraphrase, if I can, what the hon. member has stated and, I think, that is the essence of his position.

If I am to make any impact on this House and any impact on the argument the hon. member has presented I must, necessarily, attack that premise and that issue. I think there is another side to the picture and it is that other side I would like to present this afternoon.

If you will permit me, Mr. Speaker, to develop a little bit of the background; it was done excellently the other day, but I would like to make some additional reference to the historical development of our problem because, in the development, we find many of the significant factors we must take into consideration.

Rather than use my own language in this particular respect, I would refer briefly to a conference that took place this summer at Queen's University when the director of the Canadian Tax Foundation spoke to a seminar group, with respect to the federal and provincial tax structure.

Now, for the record, I am quoting from the *Tax Journal* of September and October, 1956, page 309:

It will be news to most people the earliest income taxes in Canada were levied by municipal governments. In New Brunswick there are traces of taxes based on income as early as the 1840's and they were still quite an important source of revenue in 1940, a century later. In Ontario the municipalities were authorized from 1850 on to levy a tax on income and by Confederation many local authorities had well developed systems.

Perhaps, some hon. members will remember that Toronto had such a tax until 1936 when the provincial government took over the field. The oldest provincial tax was that of British Columbia, first imposed in the early 1870's. Prince Edward Island was the only other province in the field in 1917 when the government at Ottawa introduced the tax. This was to be only a temporary war measure but, in fact, until 1949 the statute retained the word "war" in its title, and like many other phenomena of government this one came to stay and, I suppose, this was inevitable, although the rates were cut down to nominal levies during the 1920's.

At one time there was talk of the repeal of the federal tax but it never happened. In fact, during the depression, the federal rate sharply increased and practically all of the provinces introduced their own taxes as well. By 1939 a corporation paid taxes in all 9 provinces at rates from 1 to 10 per cent. Ontario and Quebec were 5 per cent., and 15 per cent. in Ottawa.

In many provinces individuals paid personal tax, but before I say any more about that I want to pause for a moment to reflect on the 3 chief causes behind this new phenomenon. As a revenue source, the income tax has had a checkered career, although its introduction during World War I was one of the major fiscal developments in our history, but it made almost no contribution to our revenue. Less than 10 per

cent. of the total revenue came from direct taxes and personal income tax contributed less than one per cent. During the twenties and thirties, the federal budget in total was in the \$300 million to \$500 million area and income tax, both corporate and personal, accounted in most years for only 10 to 15 per cent.

This meant that until World War II the principal reliance continued to be placed on indirect taxes — forms of tax derived from excise, liquor, tobacco, sales tax, and so on. In 1956, 1957, the estimate is that the personal income tax will produce \$1,200 million and the corporation income tax \$1,300 million or, between them, a total of \$2,500 million.

This will represent about 59 per cent. of the total tax revenue. It will mean some 44 per cent. of gross corporation profits and 6 per cent. of personal income will go to the federal government in the present fiscal year. Profits in income at present levels are a fat, tempting chicken, and they are being well plucked.

The point I want to make in this particular respect is this: in respect of this historical development there are other extraordinary things to be noted. First, the municipalities in this province were into this field in a far more serious way than our province was, in years gone by. Until World War I this was not a source of revenue of any consequence. Then, until World War II, this source of revenue was relatively unimportant and the development of income and corporation income tax, as a vital source of revenue, has taken place since the year 1939. I would point out that in 1939 and 1940, the province raised approximately \$28 million by means of these several sources. A not inconsiderable sum, but, certainly, not a relatively important portion of the total revenue.

HON. MR. FROST: My point is that that is considerable.

MR. WINTERMEYER: Well, it is certainly a large portion in dollars;

it is a very significant number of dollars but the fact of the matter is, proportionally, it is not anything like the revenue we are now getting from those same sources.

MR. R. MACAULAY: I do not want to anticipate the hon. member's argument, but will he permit me a question? Would he?

MR. WINTERMEYER: Yes.

MR. MACAULAY: I do not think the important thing is whether in 1940, 25 per cent. of the revenues came from these 3 fields of direct taxes; whether it is considerable or whether it is 50 per cent. I think the hon. member will agree to this. I think most tax experts do, in any event, agree that the most flexible fields of taxation are the ones he is talking about.

MR. WINTERMEYER: I think there is no doubt about that.

MR. MACAULAY: And they are the ones to which governments throughout the world turn for resources in times of necessity.

MR. WINTERMEYER: I would agree with that.

MR. MACAULAY: So, if you need more money, then that is where to go.

MR. WINTERMEYER: No, I did not say that. I am not saying that. I agree these are very volatile sources of revenue and I will agree federal governments, by and large, look to them, and in the United States the same thing has happened but in the United States we have not had this situation where the state governments have taken some large portion of the total revenue from these 3 sources.

MR. MACAULAY: Our government has honoured its obligations greater than —

MR. WINTERMEYER: But you said all governments look to that and the closest analogy we have is the United States and there we find an entirely different situation. I understand about 10 per cent. of the total revenue raised by the federal government in the direct tax field is rebated to the state governments. In this instance, this is Ontario. I am going to try and demonstrate there is a rebate of approximately 50 per cent. of our revenue.

The second historical fact to which I want to make some reference is at a constitutional level and, Mr. Deputy Speaker—

MR. SPEAKER: Some of the hon. members are in the habit of addressing the chair when I am absent as Mr. Deputy Speaker. The chair should be addressed as Mr. Speaker whether I am absent from the chair or in the chair—it is still Mr. Speaker whoever is in the chair.

MR. WINTERMEYER: Thank you, Mr. Speaker. I would like now, if I may, to refer to the constitutional historical problem which is another factor that we must take into consideration in the solution of this problem and, again, I am referring to the same source as before:

The constitutional roots of the taxing power in Canada, as you probably need not be told, are in The British North America Act of 1867.

Under this measure which brought our country into being as a federal statute, the powers of taxation that can be exercised by the central and provincial governments are set out.

In exact words the provincial governments were given power to levy "direct taxation within the province for the raising of revenue for provincial purposes." The federal government, on the other hand, could raise funds by any mode or system of taxation.

To ordinary mortals these words would seem capable of conveying a fairly clear and understandable thought.

And all that evidence of the times bears out the obvious interpretation that the federal government would have all powers and the provincial government powers only of direct taxation. Parenthetically, direct taxation means taxes which are demanded of the person who intends to pay them, including income tax, property tax and so on.

But the persons who are required to interpret the law are by no means ordinary mortals, and we have heard for 40 years now because one or two of the provinces had used income tax before 1917, when the first Dominion Act was passed, that the federal government invaded this field and robbed the provinces of their rights. I am not a centralist, but I do occasionally rebel at the fertility of the Canadian government nurturing the fatuous. To put it bluntly, the idea that the national government is a usurper in the income tax field—this was being seriously advanced as a relative argument in the last session of Parliament — is complete and unadulterated nonsense and it seems to me about time that someone said so.

I suggest that this fact is something we have to clear at the outset in this discussion. That is the suggestion that the federal government is a usurper in this field; has elbowed its way in, and pushed the provinces aside. That is not, in fact, the case, because we will grant, constitutionally, both have equal rights, and the federal government has never said and does not say now "get out or else."

The fact of the matter is the federal government has used this source of revenue, has entered and developed it within its constitutional bounds into a worthwhile and receptive form of revenue, and, now, that it has been demonstrated to be worthwhile, and a volatile source of revenue, the provinces are interested. It think it is high time we denuded our minds that the federal government is acting unfairly or unconstitutionally. That is not the point.

It may be the provinces should be in; it may be that the provinces should

be pressing more for their rights; all that may be true, but the contention, the permitting of the impression to get abroad, that the federal government is doing something wrong or unconstitutional about this problem, is wrong and untruthful. It should not be permitted to continue as a passive form of argument in this particular determination.

Mr. Speaker, one naturally would ask: well, if that be so, what is the real issue? Is it, as the hon. member for Riverdale has said, the simple determination of whether or not we need more money, and if we need more the federal government should provide it? Or is it something else?

Well, in that respect, I suggest for the attention of hon. members the comments of the Rt. hon. Prime Minister of Canada on the occasion of the 1955 federal-provincial conference. At the outset of that conference the Rt. hon. Mr. St. Laurent said:

Our present problem is two-fold, firstly, to achieve some method of sharing of the revenue available from the direct tax field and some reasonable degree of equity and stability in the revenue of the various provinces.

I think that is a vital concern, and as the hon. member for Riverdale said the other day, it is necessary to define this issue in its detail.

We are not concerned with a distribution of all forms of revenue, we are concerned only with the distribution of the revenue from what we normally call the direct taxes, or the income, corporation and succession duties tax field. We are concerned with dividing those 3 forms of direct taxation revenue from the federal level in a fair and equitable manner; and if I may paraphrase the Rt. hon. Mr. St. Laurent's words, I would say that our problem and the issue today is simply this: is the plan that has been proposed by the federal government a fair, national plan for the distribution of all direct taxes in Canada?

I think the words I have used will bear some repetition in certain respects.

Is it a fair national plan—not a fair plan for Ontario, for Quebec or some other province, but on the whole is it a fair national plan for the distribution of 3 forms of taxes—not all forms, but 3 forms only, that is income, succession duties and corporation?

Now with deference I suggest that the latter is the real issue which hon. members must determine. It is the real thing we must discuss, and if we spend more and more time on it, I think we will have a better appreciation of the solution to be arrived at. I am not suggesting that I know the answer, and I am appreciative in large measure to the hon. member for Riverdale for his address on this subject the other day, but I think we should all study and consider this problem.

If that be the issue, Mr. Speaker, then let me proceed, as the hon. member for Riverdale did the other day, to a consideration of the bill which enacts the legislation that will permit the federal government to enter into agreements with provincial governments, that is, Bill No. 442.

The hon. member has explained that bill for the edification of this House, and I do not think there is any need for me to repeat in detail the various sections of the bill except to say this, as said the hon. member, there are 4 parts and we will use his own definition of those parts:

(1) The equalization part, so-called; (2) stabilization payments; (3) the tax rental; and (4) the collection part.

In the debate this afternoon I am going to make reference only to the so-called equalization payments, stabilization payments and the tax rental aspect.

In respect to equalization, the first subject which I want to discuss, may I simply say again that the hon. member for Riverdale has done me the pleasure of explaining basically the purpose of the equalization payments. In essence and in simple language, they are nothing more than subsidies that are proposed to be paid to the provinces in accordance with traditional fiscal policy. Ever since 1867 the federal government has been

in the habit of paying a subsidy to the provincial governments, and in this particular proposal the equalization payments are intended to perform that function. They do so in this way: as the hon. member for Riverdale has intimated, the average per capita income is taken from the 3 sources in which we are interested in the two highest provinces; they are averaged, and then, by means of equalization payments, all the other provinces are brought up to that level.

HON. MR. FROST: Mr. Speaker, the theory of the hon. member is all very well if the amount given to the province of Ontario as one of those two provinces is an adequate amount. But if it is inadequate, then what sense is there in it as far as this province is concerned?

MR. WINTERMEYER: I am disappointed, Mr. Speaker. I thought the hon. Prime Minister would question me later on concerning some of the things on which I may be weaker than on this point—but Ontario has never been subsidized.

HON. MR. FROST: That is right.

MR. WINTERMEYER: Well, why now?

HON. MR. FROST: This is the situation, the other provinces are being subsidized so that they will not have to levy additional taxes in those fields. This old province, that has to earn the money to pay to these other people, is not only going to have to pay the money to the other provinces but is going to have to add additional taxes in those fields. Now, does the hon. member think that is fair?

I will give him an example close to home. Does he think it fair that the Great West Life, for instance, which does business in Manitoba, would be assisted through the subsidy given to the province of Manitoba to the extent that it would be necessary that only the standard tax would be levied, while the Mutual Life in the hon. member's own

city would be subject to additional taxes in the city of Kitchener in order to help carry on the undertakings of this province?

MR. WINTERMEYER: Mr. Speaker, I suggest that, in my conclusions at least, there be no additional form of direct taxation in Ontario.

HON. MR. FROST: I will be very much interested in that.

MR. WINTERMEYER: And if that be the case, then it will not be necessary to levy what might be termed unfair taxes against the Mutual Life in Kitchener.

To continue the point, I would have thought that the government would acknowledge that the system of subsidy was an old one in which Ontario, by and large, never participated; and I am amazed that it should be attacked on the contention that Ontario should have a subsidy.

HON. MR. FROST: We do not want one, we do not want anything.

MR. WINTERMEYER: I thought the argument would be that of the hon. member for Riverdale, who said in effect that equalization payments are good, but that no matter what form we use, we can never expect to have anything in Ontario. He said:

But I quarrel with the equalization payments in several respects:

(1) it does not take debt into consideration;

(2) why not take a mathematical average, why take the average of the first two?; and

(3) there was a third point, somewhat to the effect that Quebec is away out of line.

MR. GROSSMAN: All sources of revenue.

MR. WINTERMEYER: Yes, and that all sources of revenue be considered, that is very true.

Mr. Speaker, if I may direct my attention to these objections to equalization and not the principle of equalization as such, may I suggest that it be remembered that we have to accept some things as basic, and we are dealing with the distribution of 3 forms of revenue only, we are not dealing with a programme that will be a panacea for all our financial ills, we are dealing with a programme that is to represent a fair distribution on a national level of 3 forms of taxation: income, corporate and succession duties only.

Therefore, I think rightly that it is not necessary to consider all things that might come to the imagination as being related, or indirectly related, to these forms of taxation.

What is the fair, main means of distributing these 3 forms so as to give the average Canadian a degree of buying power that will be in keeping with Canadians throughout the land, and at the same time preserve provincial autonomy? Let hon. members remember that one could go too far, one could give more money to each of these provinces than would be good, because one could deprive—I should not say deprive, but one could excuse performance of basic provincial responsibilities. There is still a need for real, genuine provincial autonomy, and that can be destroyed by grants that are too large; more harm can be done in this way than by grants which are insufficient.

With respect to the problem of Quebec, I think that we have a simple answer. These equalization grants are intended to represent a per capita payment, to pay into each province that amount of money that will be necessary to provide the difference between what the Dominion collects from that particular province by way of the 3 sources of revenue, and \$38.20 which represents the highest two.

The answer is simple, in the fact that in Quebec there are fewer wage earners per family and per group than there are in Ontario. There are more children, larger families and not as many working women, as a result the income that is

earned in Quebec is at a lower level than in other sections of the Dominion.

May I emphasize once again my point that it is simply a mathematical problem which results from the fact that in Quebec there are more people who are not earning than there are in other parts of Canada. And to emphasize the point, may I point out that if the hon. member for Riverdale will take the population of the Maritimes and work out the formula on that basis, he will find that it accords perfectly with the Quebec payments. In Quebec I believe they get \$40 million for 4 million people, whereas the Maritimes, representing almost 2 million (1.8 million to be exact), get approximately one-half of what Quebec is getting.

MR. MACAULAY: Would the hon. member for Waterloo North permit me to comment on that particular point, very briefly?

MR. OLIVER: No, Mr. Speaker.

MR. MACAULAY: May I ask the hon. member a question? I think perhaps he will be more generous than his group.

MR. OLIVER: On that subject, Mr. Speaker, I rise to a point of order. I think our generosity is pretty well established, as far as that is concerned, whether it is in debate or otherwise, and I would suggest to both the hon. member for Riverdale and the hon. Prime Minister that the hon. member for Waterloo North is making an excellent speech on a very difficult and complex subject. I suggest both to the hon. Prime Minister and other hon. members that he be allowed to complete his discussion, because during the speeches of the hon. member for Riverdale and others who have spoken on this matter, we on this side of the House have not interrupted, and I crave the same consideration for the hon. member for Waterloo North.

MR. SPEAKER: The hon. member for Waterloo North does not need to

answer a question if he does not wish to do so, and if he does not wish to have any interruptions, we will see that there are none.

MR. WINTERMEYER: Thank you, Mr. Speaker. One more comment that I have on equalization before I pass on to another subject. I believe the hon. member stated the other day that he wondered why this particular formula of the first two provinces was to be adopted, and why it would not be practical to strike a national average on a per capita basis. He suggests that such a figure might be in the neighbourhood of \$29.00, rather than this \$38.20 which represents the per capita average of Ontario and British Columbia.

Let me remind him that if that were done, it would mean that Ontario would get nothing more than it is getting now. Ontario is not going to qualify under the equalization payments, and we would do the Maritimes the great disservice of giving them less than they are getting now, and that is a very important fact because the Maritimes are arguing at the present time that they are not getting as much as they used to get under the old arrangements. They say the well-to-do provinces, the tax potential provinces, are getting too much, that this whole agreement is weighted in favour of Ontario.

What chance would there be of persuading the Maritime provinces to accept an agreement if the formula suggested by the hon. member would result in paying them less? And certainly he must agree that some subsidy has to be paid and certainly I would say that it has to be a subsidy in at least the amount that is being recommended at the present time.

HON. MR. FROST: They should get more.

MR. WINTERMEYER: Well, would the hon. Prime Minister give them more? His formula would give them less.

HON. MR. FROST: No, certainly not.

MR. WINTERMEYER: The hon. Prime Minister cannot blow hot and cold at the same time.

MR. SPEAKER: Order.

MR. WINTERMEYER: Mr. Speaker, I will permit this particular question because I would like this threshed out once and for all. How can the hon. member say in one breath that he does not believe in this formula of equalization by averaging the first two provinces—I know I am not being brief here but I will get the point across—and instead he wants a national average which would reduce the per capita figure from, as the hon. member said, \$38 to \$29? Necessarily by so doing we are going to have to pay the Maritimes less on equalization.

MR. MACAULAY: No.

MR. WINTERMEYER: Just a moment. At that point I am sure I am right. We are not going to give more to the Maritimes through rebates; in those areas they simply do not have the tax potential to provide revenue through income, corporation and succession duties taxes, no matter whether we give them 15 or 20 per cent. rebates, to change the picture materially. It is in the form of equalization that they will benefit, not in the rebate or tax rental portion of this agreement. It is to equalization and stabilization that they look, and if the hon. member's formula of a national average is taken literally—and I do not see why it should not be—then he will provide less money for them under an equalization payment.

MR. MACAULAY: No.

MR. WINTERMEYER: Well, Mr. Speaker, I am sorry, if the hon. member for Riverdale wants to discuss that later on I will be glad to consider it, but for the world of me I think it is

as simple as normal mathematics. He may have some other explanation that was not advanced the other day.

MR. MACAULAY: It was advanced.

MR. WINTERMEYER: But if he reduces the per capita rate, necessarily—

HON. MR. FROST: What is wrong is the federal government's formula, that is what is wrong.

MR. WINTERMEYER: Well, in what respect is the formula wrong?

HON. MR. FROST: It does not give the Maritimes enough, and it does not give enough to some others who should secure it.

MR. WINTERMEYER: The hon. Prime Minister cannot be so general, let him please be specific.

MR. MACAULAY: All right, the hon. member has asked the question; may I answer him? The \$155 million we are not complaining about; what we say is you should take the \$155 million and give it to the provinces that need it, and not to the provinces that do not need it.

MR. WINTERMEYER: All right.

MR. MACAULAY: And not concentrate the money in the Maritimes, where they have no hinterlands, no mines, no resources, no developments; give it to areas of this country that really need the help. That is what we are saying.

MR. WINTERMEYER: Mr. Speaker, that has been a bold suggestion, "that really need the help." What better indication of need is there than buying power in the people? And what better indication of measurement of buying power is there than in income? And these 3 forms of taxation, I suggest, measure buying power in the most realistic fashion you can get, and the formula demonstrates that in the Mari-

times and in Quebec they are on a low per capita rate of buying power, and this does nothing more than bring to an average these forms of buying power; and if the hon. member reduces the base from \$38 to \$29, he is necessarily going to give them less.

But the only other explanation would be to say arbitrarily: "We, in our mature judgment, have decided that the Maritimes are more deserving of money than Quebec and the west and we are arbitrarily going to allot to the Maritimes a certain sum of money."

But if a buying power formula is to be used—a buying power base—I think this is as good a formula as we will ever get.

And I would remind hon. members that in the instance of Prince Edward Island, that is exactly what had to happen, an arbitrary statement. We know that in Prince Edward Island they are not getting an allotment in accordance with the other provinces.

Mr. Speaker, may I be permitted to carry on to the next subject, which is that of stabilization? As I recall the argument of the hon. member for Riverdale the other day, he said that he had no objection to stabilization as such, that if the significance of the stabilization provisions was to stabilize our economy, and provide the provinces with a stable and assured income, then surely it is a good thing. But, he said, it is unfortunate that the particular formula which is used does not accomplish the objective, and he found defects in several respects.

Firstly, he said that there is no floor as such, that the stabilization payment could deteriorate to a point where it means nothing, if suddenly our economy were to go into a recessive period. Secondly, he said that it is quite anomalous, he said that British Columbia, which is considered one of the big, wealthy provinces for equalization—second on the rung, suddenly finds itself the province in receipt of the big bulk of stabilization. Well, I think there is a ready answer to both of those objections.

HON. MR. FROST: How would the hon. member explain Alberta? I would like to hear that one rationalized.

MR. MacDONALD: That is the one big anomaly, the hon. Prime Minister is right.

MR. SPEAKER: Order.

MR. WINTERMEYER: There was no reference yesterday to Alberta, and I will confine the observations I was about to make, and will come to that later.

In respect to the floor as such, the Act specifically provides that under no circumstances do we go below the 1957 payments, the payments made in the last year of the 1952 tax rental agreement. So we have a definite floor under which we cannot go under any circumstances.

It is true that if we went into a recessive period, the sources of revenue that we are talking about, income, succession duties and corporation taxes would fall, that necessarily the stabilization floor itself would recede in those years.

But the fact is that we have one floor to which to tack ourselves, or at least one floor on which we can stand, and that is the amount of money which was to be paid to the respective provinces in the year 1957. Below that, under no circumstances do we have to go, and I think that is a definite floor, a very significant fact, and a wonderful demonstration of the willingness and the ingenuity in this particular plan that the federal government has proposed.

With respect to British Columbia as such, let me point out that that is an unusual circumstance, the explanation for which lies in history, and in the history of these agreements. Prior to the war years, British Columbia used these 3 forms of revenue, income tax, corporation tax and succession duties tax, to a greater degree than did the other provinces, and they were reluctant to give up those sources of revenue. In their case they were major sources of revenue, extraordinary sources in British Columbia, and in 1945 they made a

special arrangement, which arrangement has continued in the intervening years and is reflected in this rather unusual circumstance in regard to British Columbia and the stabilization payments.

If Ontario had been making the same use of those 3 fields prior to the war, the same consideration would be extended. It is an unusual thing, it is a particular thing, and one cannot generalize as such.

But there is a real and valid explanation for the rather unusual position in which British Columbia finds itself, that is, that on one score for equalization it is No. 2 on the rung, and then for stabilization it finds itself in the position where in its first year it will receive \$700,000 out of a total, I believe, of \$800,000.

Mr. Speaker, if I may, I shall now pass to the essence of this whole problem — that is, the tax rental portion of the bill. The hon. member for Riverdale has done me the service of outlining these points to the House, and we can take them as read.

In a nutshell, as the hon. member said, this agreement differs from the previous agreements in that it is not really a rental as such, but it is an abatement — a rebate — of a certain portion of the income tax, the corporation tax and the succession duty tax.

In regard to income tax the agreement provides that 10 per cent. of all income tax received by Ottawa from residents in Ontario, or any other particular province, will be rebated. In regard to corporation tax, 9 per cent. of the amount of income that is earned in a particular province will be rebated. In regard to succession duty, 50 per cent.

There is just one point, Mr. Speaker, that I would like to make, in passing, in regard to these 3 items. Hon. members will notice that in regard to corporation tax it is not 9 per cent. of the amount of money collected tax-wise, but it is actually 9 per cent. of the gross corporation income in any particular province — earned in a province; and, therefore, if it is worked out mathematically it will

be found that we get a rebate on the corporation income of about 19 per cent. of the corporation tax that is collected by Ottawa, and not 9 per cent. as the hon. member suggested the other day. That is a substantial difference.

We get, by virtue of this section, a rebate by Ottawa to Ontario of about one-fifth of all the corporation taxes collected in Ontario. I think that is something hon. members should keep in mind as we go along. The figure of 9 per cent. is very often referred to as 9 per cent. of tax collected instead of 9 per cent. of the amount of income earned in a particular province.

Referring directly to this tax rental section, as I said earlier, in 1940 from these 3 sources of revenue we accumulated \$28 million. The hon. Prime Minister stated that represented 25 per cent. of our total revenue at that time. We will accept that percentage as being correct. This \$28 million mentioned by the hon. Prime Minister actually includes not only corporation tax and succession duties and income tax, but, in addition, it includes such things as security transfer tax and several other forms — minor forms — of direct taxation. At that time 25 per cent. of our gross revenue in Ontario was represented by these forms of income.

In 1956 these same forms of revenue — that is, income tax, corporation tax and succession duty — represented \$161 million of our total revenue, or 39.2 per cent. of our total revenue. That is, almost 40 per cent. of our revenue in 1956 was accounted for by direct taxation—from income tax, corporation tax and succession duties.

In the budget in March, 1957, we cannot be sure what they will be, but if the hon. Provincial Treasurer (Mr. Porter) was accurate in his estimate, all we have to do it to take his budget prognostication of last year and add to it the amount of money that we anticipate receiving by signing the agreements, and we will find it is probable that about 40 per cent. of all revenue will be represented in these taxes. I suggest that if certain things happen that percentage

will be higher, and it will be in the neighbourhood of 50 per cent.

Hon. members will recall the hon. member for Riverdale stating the other day that, in Ottawa, 55 per cent. of the total revenue of the Dominion is represented by these 3 sources. If, in Ontario, we are getting close to 50 per cent. from these same 3 sources then when are we going to stop expecting that more and more of our expenditures be financed by income tax, succession duty and corporation tax? Certainly there must be some stop somewhere.

It may be that I am old-fashioned, but I would suggest that in our dash for the welfare state we are thinking of those people at the extreme ends of our population — those unfortunates who have nobody to help them and for whom we have the greatest sympathy, and those at the other extreme who have all the finance and worldly goods they need, and do not need our assistance.

When we think in terms of help we should think of the average man — the average person — a person like you and me. We are the people who will pay the income tax. Half of all the income tax collected in Ottawa today is collected from people who are earning \$5,000 or less.

Where in the world are we going to stop? We talk about "golden geese", and "the geese that lay golden eggs." The fact of the matter is that the average person is the "golden goose" in this province.

We have got to protect the average man who does a hard day's work, earns money and raises a family independently of the state, who desires to save a little money, who is desirous of building a business and getting ahead; and if we hold him to the proposition that all sources of expenditures by the government have to be paid for out of income revenue, what have we done to our economy? We have certainly dealt it a blow that I would not expect this government to suggest; and I would respectfully ask, Mr. Speaker, that we seriously consider the harm that we are

doing to our whole economy if we continually add to the burden of the man who is building a business in a small way.

After all, we have only a few huge corporations, but we have something like 70,000 small corporations. We have many persons earning \$5,000 to \$25,000 working in reputable businesses, rearing their families and saving money, and those are the people we are going to make responsible for all our expenditures. I say it is wrong, and it is time we started thinking intelligently, because they are the people who count, as well as the poor unfortunates who are in the unhappy position where they may rely on government assistance.

The hon. Prime Minister said the other day: "Well, if you disregard that where in the world are we going to get the money? How can we raise more?" or words to that effect. I am sorry if the hon. Prime Minister did not say it that way, but I am not correcting my summary. The point I now want to make is this: In Ontario are we paying too much tax? Hon. members will recall somebody in the House — it may have been the hon. Prime Minister himself — saying that municipal-wise the tax levy is no higher than in 1939.

I would point out to the hon. members of this House that at the present time, according to my calculations — and I suppose we will have some little discussion about that, but according to my calculations, and I will explain the method of calculation later — I estimate that on a per capita basis the people in Ontario are paying less in provincial levy — in provincial taxation — than in any other province except one or two wherein there are special considerations, one of which is Alberta.

One would expect that here in Ontario, the way things have been going, we were paying a terrific provincial levy. The fact is that we are not. I am not suggesting that we should increase it. I am merely suggesting, as somebody in this House pointed out before, that on the provincial level and on a muni-

capital level, we are paying no more taxes than we were in 1939 if we relate it to the standard dollar.

I am saying that on the provincial level now, if we take the gross revenue in any one year and deduct the revenue which we get from Ottawa, because we do not levy, or collect, the taxes, and then divide the balance by our population, we will determine the amount of money that each man, woman and child in Ontario pays into the provincial treasury as a provincial levy. That is a sum which I have estimated to be \$48.80.

I would ask the hon. members to direct their attention to the following. In British Columbia, using the same formula, each man, woman and child pays \$120.00; Saskatchewan, \$81.00; New Brunswick, \$61.00; Quebec, \$59.00; Nova Scotia, \$51.00; Newfoundland, \$49.50; Ontario, \$48.80; Manitoba, \$38.00; Prince Edward Island, \$37.90; and Alberta, \$13.00.

HON. MR. FROST: How much was Alberta?

MR. WINTERMEYER: Alberta, \$13.00; and I might say to the hon. Prime Minister that in Alberta the amount of money they collect by virtue of their oil is \$109 million out of a total revenue of \$157 million. In other words, 69 per cent. of their revenue is collected from licences and privileges relating to oil. Ours is not anything like that. Alberta is in an extraordinary position. We would not want to compare ourselves with Prince Edward Island, and the only other province lower is Manitoba.

I would suggest, further, to this House, for its further consideration—again I take some privilege in saying this—that I am not suggesting increased taxes as such, but if we imposed the type of taxes which they impose in most of the other provinces, and we will take, for example, Quebec—Quebec I worked out in detail. If we imposed the same form of taxation as they have in Quebec at the present time, I estimate that we would increase our provincial revenue—

our strictly provincial revenue—by \$241 million.

I am referring to several sources of tax. The retail sales tax—if it were imposed here, it would probably produce \$200 million; and amusement tax at 12 per cent. as they have it in Quebec, \$1.5 million; an increase in the gasoline tax to bring it to the Quebec level of 2 cents a gallon, \$16 million; a tobacco tax which they have in Quebec, \$15 million; a liquor tax, and a tax on meals—and I am taking exactly their formula and applying it to the Ontario situation—and I arrive at a grand total of \$241 million.

I am not suggesting that we do it, but I am suggesting that it can be done. I am suggesting these forms of taxes are available to Ontario, and I am suggesting that if we need more money, then, for goodness sakes, do not take it from income.

I would say, further—and I am getting towards the end of my discourse—that if it be the desire to raise more money from income, then, please have the intestinal fortitude to say that is what this government is doing, because we all know that it is impossible to ask Ottawa to collect provincial money and rebate it so that this government may use it for provincial purposes and create the impression generally that it is not its doing. If we need more money—if it is desirable that our revenue and expenditures be financed from income, that is fine; but let us not ask Ottawa; and surely it is unwise to expect that Ottawa will do our work. I think that argument is beyond question. Let us have the fortitude, at least, to take the position that either we say to Ottawa: "You are all wrong, and we will not go into the agreement at all" or else to accept the agreement in its entirety.

Mr. Speaker, before I conclude, there is one point to which I should like to make reference. I am sure some hon. member will do it, although I do not believe the hon. member for Riverdale made any reference to it the other day, and it is to his credit. Normally, it is said: "Look at the huge surplus in Ottawa—\$500 million. Why so much?"

If we only had that, what we could not do."

Well, let us not be misled. Let us be business-like, realistic, and practical. The fact is that an error in the estimate of gross national product—and that is the basis upon which any finance minister must determine his sources of revenue and his taxation—an error of approximately one to three per cent. would wipe that entire surplus out in one year. In other words, a slight recess; and they give the finance minister a leeway of one to three per cent. We give the hon. Provincial Treasurer a leeway of 10 per cent., and I think that is being a little niggardly. At the Ottawa level, an error in the estimates of the business activities which earn these gross revenues of one to three per cent. would completely wipe out the \$500 million surplus.

Surely nobody suggests that we make an agreement with Ottawa whereby if they have it we get it, and if they do not, we do not. The agreement is not that at all, the agreement is that we get it whether they have it or not. Of necessity, they have to budget intelligently and carefully, and I suggest to the hon. members that the argument about surplus and this terrible talk which went on about "disgorging, if necessary forcibly" the other day, should be discontinued. I know the hon. member to my right did not say it, and I do not believe that the hon. member who said it wrote those words himself, someone must have written them for him, who had publicity in mind.

Coming directly to my conclusion, Mr. Speaker, may I say it seems to me that the federal offer is fair in respect to what it is intended to do, that is to distribute on a national level the income, corporate and succession duty revenue. Whether in Ontario we could raise more money or not, is debatable, and I am not going to quarrel with anyone on that score, but the offer cannot be tailored to Ontario, it has to be tailored to the entire country.

Just as Ontario quarrels with the offer, there are complaints from the other provinces, British Columbia claiming it gave up so much in 1945, the Maritimes claiming they should have more by way of equalization, that the rebates are worth nothing to them, and that the weight is all tailored in Ontario's direction.

And so there are, these individual complaints, each of a different nature, and of a different character, but I say that taking the overall picture, the fact of the matter is that if we take the total of the rebates, the equalization and the stabilization payments—now this is something different to what I have said thus far—and relate them on a per capita basis to each of the provinces, we will find it is estimated that each man, woman and child in all of Canada will get the same number of dollars from each of these sources, that is the rental and the equalization and the stabilization sources, that within a matter of a few cents—I think Ontario gets about 50 cents more per capita than the others—that with that exception, the others are within a penny or two of one another.

What could be more definitive of an excellent demonstration of the distribution of these sources of revenue than that demonstration where, in the net result, these 3 huge sources of revenue are distributed throughout the country in a form which results in an equal amount on a per capita basis throughout the nation?

And that is important, Mr. Speaker, because buying power is important if we want to assure that the people in the Maritimes will keep our factories busy, will buy products that would not sell in a protected market. That is the first argument that I am going to make.

The second point I want to make is, remember, this is not a financial panacea, this is not a financial cure-all. We have had constitutional financial crises throughout our history. One year after 1867, Nova Scotia threatened to withdraw from the Confederation because the group in charge felt they

were not receiving enough. At that time, they were the wealthy part of the country. We will continue to have financial crises, and we will continue to solve them as long as we are willing to try and work out a solution.

My third and I think most important point is, remember that we are a nation, that we have to do something as Canadians. I know we are told to think of Ontario first, and are told to think only in terms of Ontario, but nobody really thinks that way, or should think that way. We have to start thinking in terms of Canada as such, and I say to hon. members that we can do immeasurable harm to the progress of our constitutional development if we refuse to co-operate and give in a little bit.

This offer, I suggest, is basically fair. Certainly it does not give us everything we would like, it does not give us everything that we would take if we could write the legislation. But it gives basically close to an equitable distribution and I suggest that we demonstrate our interest in Canada as a nation and our leadership as such, and get out and work out an arrangement with the federal government that will assure the constitutional development which we all want and which we can achieve by facing the problems within the confines of the tax rental payment forms.

Hon. members opposite have suggested many times, and I think the hon. Prime Minister himself suggested several heroes, among them Abraham Lincoln, whom I think someone mentioned one day, and William Lyon Mackenzie King. Well, Mr. Speaker, I have a hero in Sir John A. Macdonald.

MR. DYMOND: The hon. member should be among the Tories.

MR. WINTERMEYER: I can do no better than refer to what that great Canadian said in this regard: "Remember always, the sum is greater than the parts." We must remember that our national government, our national economy, is greater than any one part. We in Ontario have a right to be proud, we have a right to be elated at the

progress we have made, but we must remember that we are not the federal government, we are only a part, together with many other provinces making up a federation. I think we must always keep that in mind, and, being very personal and direct, hon. members know and I know, that there is one province that is not doing what I think, and what I think you think, is its duty in the form of national policy.

One province refuses to sign this agreement, no matter what. Well, I do not think because one province acts that way, that we are entitled to follow suit. Let us be big enough to lead and help these other provinces who do think in terms of national prosperity and national economy, to bring them together in a formula and in an agreement which will work. By doing that, we will assure for the future the constitutional fiscal development of our province.

We can do a great favour. We can lead in a manner that is unbelievable.

Let us try to do that, and let us, in final conclusion, remember that this is not a "cops and robbers" game, this is not the situation where all the "good guys" are on one side and the bad fellows on the other. All the arguments are not on one side, one party is not all right, and the other all wrong.

When in this House we hear at times such references as to a "Frankenstein development of our taxation system," "the need to disgorge from Ottawa its unjust earnings"—well, that language shocks me. I think Ottawa is trying to be fair and I think we are trying to be fair. Let us keep these arguments and this discussion on a scientific basis, and not on an emotional one.

I can do nothing more than tell hon. members that if we work at this and think hard, I do not expect people to vote against government or anything of that sort, but if we think of it as individuals, and we in the "back benches" occasionally have some good thoughts of our own, maybe in caucus we can help to formulate a policy which will be acceptable, and that will permit of an agreement.

Because, I suggest, we have only two alternatives, either to accept that agreement in its entirety or to refuse the agreement in its entirety. Remember that we will do an irreparable harm to our national economy if we sign the agreement in part only. Take for example, the corporate field. If, perchance we refuse to go in in that aspect and impose our own corporation tax, what is going to happen to the argument of the hon. member for Riverdale in which he said that the federal government has the right to curtail credit in the future? It will not do what it should do, because of the fact that the provinces will step into the field and refuse to vacate later.

I say therefore, let hon. members have a degree of co-operation in this House and in this country that will permit of the solution to this problem that will be to our honour and lead to the continued prosperity of this country.

Mr. Speaker, I am sorry that it is getting close to 6.00 o'clock and there are several other things that I wanted to say. I will have an opportunity to refer to them later, and it has certainly been very kind of you to permit me this time, and I thank you very much for the opportunity.

Mr. R. J. Boyer (Muskoka) moves the adjournment of the debate.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, I regret to advise the House of the death this afternoon of Mr. Sturgeon, the Editor of *Hansard*. Mr. Sturgeon for very many years has been a popular and a very well known figure here. He was always a kindly and obliging individual and I am sure that we all deeply regret his passing, and we extend our sympathy to his family.

MR. SPEAKER: We will rise and observe a moment's silence in tribute to a loyal and devoted servant of this House.

The House rose in silent tribute to the memory of the late Mr. Sturgeon.

MR. SPEAKER: "The souls of the righteous are in the hands of God, Amen."

HON. MR. FROST: Mr. Speaker, tomorrow we will proceed with the debate on the amendment to the motion in reply to the speech from the Throne. We may possibly put some orders on the order paper before we go on with the debate.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.00 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Friday, February 15, 1957

THE QUEEN'S PRINTER
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1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

FRIDAY, FEBRUARY 15, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

Introduction of bills.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. Annual Report of the Ontario Provincial Police from January 1, 1956 to December 31, 1956.

2. Annual Report of The Department of Reform Institutions, province of Ontario, for the year ended March 31, 1956.

MR. SPEAKER: Before the orders of the day, I would like to welcome to the House this afternoon pupils of the Stratford Teachers' College.

HON. C. DALEY (Minister of Labour): Mr. Speaker, before the orders of the day, if I may, I would like to mention a subject that was raised in this House the other day, at which time I happened to be absent from the chamber, because of some gentlemen who had come from the north country to discuss with me some of their difficulties there. One of my colleagues, the hon. member for

Wentworth (Mr. Child) raised the question of wrestling.

As I happen to have the athletic commission under my department, I would like to make a statement. I do not know whether the hon. member is a wrestling fan or not, but I can say quite definitely that I am not. As head of the commission I could, of course, go to the wrestling at any time I wished.

MR. OLIVER: Free.

HON. MR. DALEY: Yes, but I am not sufficiently interested in it. I would like to point out to the hon. members through you, Mr. Speaker, that in the province of Ontario, it is required that wrestling matches be advertised as an exhibition. In any state in the United States or in other provinces of Canada, it is a contest, but here it is an exhibition. We insist on their advertising it in that way.

MR. MacDONALD: But they do not.

HON. MR. DALEY: An exhibition is a show, it is designed to please the public who attend, and it is designed to be sensational, dramatic and to attract customers. At one particular exhibition which was held recently, I am advised approximately 19,000 customers attended, which would indicate that to a certain extent they are pleasing the public, those people who like that sort of an exhibition.

With regard to the personnel, the men who actually do the wrestling, it is a remarkable thing, and I have met

a goodly number of them, that they are all men of a very high calibre. They are college men, men who have been quite successful in football, and they are big and strong and athletic, and there is a very fine reward for them if they reach the top in the wrestling game. I am advised—I do not know whether it is authentic—that they are able to earn in a year \$30,000 to \$100,000.

HON. MR. FROST: Let us get into it.

MR. MacDONALD: The hon. Prime Minister is in the wrong game.

HON. MR. DALEY: This exhibition, as I say, is designed to please the public, so it has developed on a "bad man" against a milder, meeker fellow method. They are always advertising this "bad man" and he acts the "bad man" part. If this was such a terrible thing, if it were so gruesome and bone-breaking, it would be difficult for me to understand how these men wrestle 5, 6 and 7 times a week.

MR. MacDONALD: Sometimes women, too.

HON. MR. DALEY: If they are getting hurt, they must be very minor injuries they are receiving when they go on night after night in all the different towns and cities.

I spoke about the type of men who do the wrestling, and all hon. members know our own "Whipper" Billy Watson. I have seen him wrestle and I have heard him talk at dinners and I would say he was a very fine type of man who is interested in the youth of the country. He does a lot of work for the crippled children, he appears at anything where it will attract anyone who might make a contribution to this very worthwhile and necessary activity.

Billy, of course, is known as one of the "good" types of wrestlers, so in order to get the crowd, they have to have a bad man against him, and if hon. members met this bad man who has been in the headlines recently, they would find

that he is one of the nicest men they ever met. He is not half as bad as some people might think.

It is an exhibition, Mr. Speaker, and it also does something which I think is of great interest to the people of this province. By the special tax we levy against it, this government is able to support this athletic commission; able to supply thousands of youngsters throughout this province with equipment, minors, juveniles and midgets. Also, through this tax, we supply thousands of pieces of equipment, hockey sticks, pucks, pads, and baseball equipment, and everything which is used in sporting activities.

As long as people are satisfied to attend these exhibitions, and the fact that 19,000 attended one night to see this "bad man" of whom I have told you, I think we must look at this thing in a realistic manner. Actually, this "bad man" is one of the nicest fellows hon. members have ever spoken to out of the ring—he seems to turn about when he is in the ring—and if the wrestling exhibitions were as bad as has been outlined, these men certainly would not be able to continue wrestling night after night for up to 7 nights a week.

MR. MacDONALD. Mr. Speaker, will the hon. Minister permit a question?

MR. SPEAKER: If it is a question, but I cannot permit any debate.

MR. MacDONALD: Last year people came before the government athletic commission when this whole field was being examined, and pointed to the fact that we were not enforcing the law that this must be advertised as an exhibition.

HON. MR. DALEY: It is, though.

MR. MacDONALD: It is not advertised as an exhibition and it is possible to get any number of advertisements saying it is not. Why is this part of the law not enforced or changed?

HON. MR. DALEY: My commissioner advises me it is.

MR. MacDONALD: I can bring the hon. Minister any number of advertisements to show him that it is not.

HON. MR. DALEY: The hon. member can always find something.

MR. SPEAKER: Orders of the day.

HON. MR. FROST: Mr. Speaker, may I advise the House that it may be necessary on Monday to have a night session. I state that it "may be necessary" and it will certainly be necessary to have a night sitting on Tuesday, but I want to advise the House that there is the possibility of a night session, and I will not know for sure until Monday.

MR. F. R. OLIVER (Leader of the Opposition): May I ask the hon. Prime Minister why all the hurry at this time? Is the budget to come down next week, for instance?

HON. MR. FROST: There is a possibility, and I am not sure about this at the moment, that the budget will be brought down on Thursday. Again I say I am not positive about that.

MR. OLIVER: If I may say this, Mr. Speaker, the only point seems to be that we have been proceeding in a leisurely and, I think, a very effective manner, in debate thus far. If we are going to have an all-day afternoon sitting on Monday and a night sitting, a sitting on Tuesday afternoon and a night sitting, what the end result will be is, there will be perhaps 25 speeches in that length of time.

I do not think that is being fair either to the speakers or to the general public who are interested in what the speakers say. We started this session rather early in the year, we can run on until April, May or June, as far as that is concerned. Therefore I doubt, in fact I am sure, we should not try to cram 25 good speakers in a restricted period of time, when their efforts will not be

recognized as such. They will not be given the play that ought to be given, and the suggestions or criticisms will not stand out as such, because their speeches are crammed in, in a limited time.

HON. MR. FROST: I am quite in accord with what the hon. Leader of the Opposition says, Mr. Speaker. I point out that if budget day is Thursday next—mark you, it may have to go over to the next week, but it would seem that it will probably be Thursday next—we shall have then taken, on the Throne debate, more than the normal period which we have taken heretofore.

I would point out that the budget debate gives opportunities for making addresses equal to the opportunities of the Throne debate. I would also point out that on many other matters there are opportunities for speaking, and perhaps it is as well not to try and cram too many subjects into one address. It might be better to spread these addresses over several occasions.

I was speaking yesterday to one of the hon. members and I very well remember a former member of this House, Col. Fraser Hunter, who represented the riding of St. Patrick, a very interesting person from whom I hear quite often from Durham where he is living. I always hear from him once or twice during the course of the year, which is a very great pleasure.

Col. Hunter at one time told me, nearly 20 years ago, when I was sitting opposite, that one should speak in the House for not more than 20 minutes, and, as a matter of fact, he followed that rule himself. The hon. member for Brant (Mr. Nixon) will recollect that, and he had his own technique, and quite a personality.

I am most anxious to have the hon. members of the House have the opportunity to speak on the various subjects, but I do not think it is necessary for any hon. member to try to put in everything he has to say on the Throne debate, because his remarks can be divided into subjects, and be given on different occasions.

The budget debate gives very wide opportunity again for discussing almost any subject. Then, the estimates, of course, are on specific matters relating to different departments, but we have a number of very important matters coming up and I think that, in the Throne debate, if it is possible to bring in the budget on Thursday, then that is about 3 and a half weeks' time, and I do not think the hon. Leader of the Opposition would think that unreasonable.

I say that I agree with the hon. Leader of the Opposition and, I do not wish to restrict hon. members, because I am most anxious to give the fullest latitude to the addresses.

MR. OLIVER: Mr. Speaker, if I might add this one word: the hon. Prime Minister says he in no way wants to restrict the hon. members, but at the same time has said by inference at least that we should speak not more than 20 minutes, and then goes on to say it is not necessary to speak both on the speech from the Throne and on the budget debate.

After all, that is for the hon. members to decide, not the hon. Prime Minister, and so far as the speech from the Throne debate is concerned, I think all of our hon. members will speak on it, and will again speak on the budget debate.

In spite of what the hon. Prime Minister says, there is ample room for debate on both the speech from the Throne and the budget on general subjects. The business of this province is so huge that it leaves a full scope for hon. members on both these debates.

I cannot see at the moment why the hon. Prime Minister needs to rush in with his budget on Thursday, and thus cut off the debate on the speech from the Throne. That is exactly what he will do if he persists in his present plan.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, frankly I cannot see the reason for this House trying to get the debate on the speech from the Throne out of the way within the next 3 days.

On the other hand, I do think there is a need for the introduction of the budget at the earliest possible opportunity, because many of the township and city municipalities next week are going into their budget. So I think it would be only fair that the government do bring down their budget at the earliest possible time.

On the other hand, I fail to see why we should conclude the Throne debate next Thursday. On other occasions, it has been done, that the debate on the speech from the Throne would continue after the budget had been delivered.

HON. MR. FROST: Mr. Speaker, I might say that the hon. member for Oshawa has made a suggestion which I think is very reasonable. I am perfectly prepared to let the Throne debate continue, we did that on 2 or 3 occasions, but I abandoned that practice because of the opposition from the hon. Leader of the Opposition.

MR. OLIVER: That is right, and I still do not like it.

HON. MR. FROST: My nature is to be obliging, and I endeavour to do it that way, but I think that is a very reasonable proposal. I have often felt that there are occasions when it would be very desirable to place the budget before the House, because of convenience to the persons affected, at an earlier date, and it is too bad that hon. members should be bound by some tradition or method that would prevent our doing that.

I am perfectly prepared to give the matter further consideration, if the hon. Leader of the Opposition wants to consider it next week. If it then appears it is not practicable to conclude the Throne debate, if the hon. members of the House feel it is not a violation of the usual procedures of this House to have the Throne debate continued, I would be only too glad to do that. I will leave that matter subject to this, that it may be necessary to have a night session on Monday night.

In this House, we are rather sparing with night sessions and I have done that intentionally for this reason, that our hon. members most days have a lot of committee or other work to do during the day time, and that too many night sessions make it very onerous. The long hours involved affect the spirit of the House, and weariness possibly impinges on the ability of most hon. members to do our work well. It is difficult to start work at 9 o'clock in the morning or earlier, and sit until 11 o'clock at night.

On the other hand, I point out that in some other Legislatures, in our sister province to the east, night sessions are in the ordinary course of events.

MR. MacDONALD: Let us not duplicate them or we will be fired.

HON. MR. FROST: I would not want that to happen. I do not think we have been unreasonable in connection with the matter of night sessions, and I hope to avoid them as much as possible. This year we started on January 28th, and I think this House will probably take two full months, which is quite an extension of time, and if necessary can continue on to Easter quite easily.

MR. SPEAKER: Orders of the day.

ADDRESSES IN REPLY TO THE SPEECH FROM THE THRONE

MR. R. J. BOYER (Muskoka): Mr. Speaker, it is a pleasure, once more, to convey to yourself congratulations upon the position you occupy in this House and to mention the admiration we all have for the dignity and impartiality with which you have invested your high office.

Now, I think in the minds of people in this country, in recent times, there is a realization how difficult the position of Speaker can become at any time. Whenever I have had the privilege to speak of the work and procedure of this Parliament in my own riding, I have said that here we have a good and im-

partial hon. Speaker and I am very happy to say that here again, today.

Mr. Speaker, when the hon. Minister of Labour (Mr. Daley) was speaking about the wrestling this afternoon, and the "good guys" and the "bad guys", there came to my mind a quotation from Gilbert and Sullivan about "virtue being triumphant in theatrical performances" and I think that applies to that particular subject.

First of all I would like to refer to an announcement which was made in my own riding yesterday, of a very generous undertaking for the benefit of the district of Muskoka on the part of Mr. J. W. McConnell of Montreal. Mr. McConnell is a native of Muskoka, having been born near Bardville.

In recent weeks, Mr. McConnell made known his wish to establish a memorial foundation in memory of his parents, the late Mr. and Mrs. John McConnell, who were pioneers of the township of Monck. He said the capital of the foundation would be \$500,000, from which the interest, amounting to about \$25,000 annually, would be spent for charitable and educational work in the district of Muskoka.

Of course, it is a little early to give the details as to the policy which the foundation will adopt, but it might be said it is the general intention to support a charitable work and hospitals in Muskoka, to aid in certain cases of distress, and to provide bursaries and scholarships to assist students of good scholastic standing to continue their education . . . students who might otherwise not have the means to do so.

The directors of the foundation are to be his honour Judge D. C. Thomas, district judge of Muskoka; Mrs. D. C. Thomas; Reeve Jack Johnson, the proprietor of Aston Villa on Lake Muskoka and the reeve of the township of Monck; Mr. William Spearin, manager of the Royal Bank at Bracebridge; and myself. I would like to say, for myself, that I deem it a very high honour to be associated with these very prominent residents of the district of Muskoka in this highly humanitarian work.

The foundation has been incorporated under a provincial charter dated January 31st, and the charter provides that upon the death or retirement of a director, the remaining directors will appoint his successor, and also provides that they will serve without remuneration. This foundation, so generously established by their son, honours the memory of the late Mr. and Mrs. John McConnell, and will be known as the John McConnell and Margaret Ann Wilson McConnell Memorial Foundation.

I might just say, for the interest of the hon. members, the McConnell family home was in the township of Monck. The family is of Irish extraction, and arrived quite early during the first days of settlement in Muskoka.

John Wilson McConnell, of Montreal, was the youngest of a family of 7, and is now the last surviving member of that family. He first became famous because of his great success in the business world in Montreal, which has enabled him to perform acts of philanthropy which have been, for the most part, little publicized and very quietly performed. But we have reason to believe that his old associates in his own township of Muskoka know his generosity, and that in time of trouble he has helped several of them.

Mr. McConnell came to Toronto as a boy, and in 1900 went to Montreal, and it was there that his hard work and sense of responsibility carried him higher and higher up the ladder of success until he reached a position of considerable affluence and influence.

I say to the hon. members that I think his story is one which illustrates the opportunities there are in Canada for young men to devote their abilities to the work of their choice.

Mr. McConnell's record of generosity has been one of his principal attributes, and this afternoon I would like to think this sense of generosity was imparted to him through the traditions of a Muskoka pioneer family from the times of early settlement in the district when, under conditions often quite difficult, it was truly a case of share

and share alike among the families of each little neighbourhood.

His father, the late John McConnell, became a member of the Monck township council in 1877, 4 years after the municipality was incorporated. In the following year he was reeve, and served in that office for 3 years, and then served for 16 or 17 years as assessor and collector. It is in his memory and that of his wife, Margaret Ann Wilson McConnell, that this memorial foundation is set up, which will aid very considerably in the district of Muskoka in the years to come. I have taken time this afternoon to mention this matter and to endeavour here to pay tribute to Mr. McConnell for this very generous action on his part.

As to the speech from the Throne, I would like to pay tribute to the hon. member for Port Arthur (Mr. Wardrope) and the hon. member for York West (Mr. Rowntree), who were the sponsors of the motion which has begun this debate. Both of these gentlemen and the hon. member for Riverdale (Mr. Macaulay), in a highly instructive speech on February 7th, and other hon. members of this House, including the hon. member from Waterloo North (Mr. Wintermeyer) referred to Dominion-provincial relations, with particular respect, of course, to the tax agreements.

But they have also referred to these agreements in the sense of the difficulties there are for lesser governments in this province to carry out their programmes of development which the growth of this province demands.

I would like to suggest that, when this matter is being discussed, it should be referred to as Dominion-provincial-municipal relations.

The reason for this is that the municipalities of the townships, villages, towns and cities are all very heavily involved. They have their problems of development; they know the needs of their municipalities and they know, too, the great assistance which has been given to them by the province through grants and subsidies in very many ways

through these post-war years, assistance which has been extended at every opportunity by the present Ontario government.

There are, I suggest, many other ways in which the provincial programme aids local government. It should be remembered that provincial activity in the construction of highways, and a highway network, is of vital importance to municipalities. An article in a recent issue of the *Rotarian* magazine, on roadbuilding on 5 continents, had two statements which are related:

The achievements of the road-builders are dramatic and exciting. The important victory is not of man's conquest of his surroundings, but in the inevitable impact on people.

The article goes on to speak of highways as the great means of creating more wealth and spreading it more widely among the people. The provision of good roads, therefore, is a social measure, just as are power developments and public works. They are necessary to the economy of the province and they aid the municipalities. They also aid the nation as a whole. But is the further development of this province to be hampered and hindered because of the unwillingness of the federal authority to share in the particular programme from the revenues and surpluses which are being collected by Ottawa?

I say roads create wealth and revenue for the treasury at Ottawa too, but there is no return commensurate with this revenue which is obtained at Ottawa from the motor vehicles industry. The federal returns by way of grants for the trans-Canada highway are given as approximately 20 per cent. of the revenue collected, at the same time that the provinces are spending more than their revenue, the highway programmes taking about 40 per cent. more than the revenue in the provinces across Canada.

Another matter having to do with this subject concerns a new concept of the use of taxation which we see at

Ottawa. Hitherto taxation has been looked upon as the means to provide a government with the funds required to carry out that government's responsibilities to the taxpayers. But now the idea is that taxation can be used to control the market, to be used as a means of taking from the people the money which they might spend for other purposes.

It is said that this is being done for the people's own good, because otherwise there might be inflation. The fact is, however, that the federal estimates of the departmental expenditures have been increased. Ottawa is spending the money. Surely, the fact that they are spending it is just as much a danger in this way as if the people spent it. I say that if the people had the opportunity, they might wish to save their money for times of catastrophe or for their old age.

It was pointed out yesterday that the levels of taxation in Ontario, other than in the 3 fields mentioned in the tax agreements, are among the lowest in Canada. There should be no surprise about this, and I submit that this fact should not really be used for the purpose of arguing that Ontario has been neglectful in any respect in raising money. It is not by accident, but by design, that this is the case. The results have been that Ontario has very quickly developed under this policy of low taxation, and industry has been, and still is being, attracted to Ontario simply for this reason.

Here in this House I believe we have a high regard for the needs of other provinces, but we must also look to the requirements of Ontario; we were elected to this House for that purpose. I point out it was no hon. member of the present administration who said, as the late Mr. Hepburn did, that Ontario would not be a "milch cow" for western Canada, but it is not unreasonable, surely, to suggest that as far Ottawa is concerned, the authorities there should be aware of killing "the goose that lays so many golden eggs" for them.

During his excellent speech of yesterday, the hon. member for Waterloo

North made a remark about financial difficulties occurring before in our Confederation, and he mentioned Nova Scotia and its advocacy for further financial assistance in 1868. But what happened at that time was that Sir John A. Macdonald went to Halifax and settled the matter on better terms for Nova Scotia.

It can be said that Sir John A. Macdonald at that time was very anxious to save the Confederation. Only a few years before there had been the war of secession in the United States — an example of what might occur in a federation. Today I do not believe there is talk of secession on the part of any province in the Confederation, but I suggest there are strains and stresses in our nation which the right hon. gentleman who is Sir John's successor could overcome, if he would, through the present tax agreements or in some other plan of the redistribution of revenues and responsibilities among the municipalities, the provinces and the central government.

The speech from the Throne told of further great accomplishments by the hon. Prime Minister's (Mr. Frost's) administration and of future undertakings for human betterment and the development of this province. Most significant of all the projects mentioned was the hospital care plan, and I can tell hon. members that I have found in my riding not only great interest in this proposal, but support, as evidenced by conversations I have had with those of all parties, and from the correspondence that I have received.

Of particular interest to Muskoka people is, of course, the tourist business, and the energy put into travel promotion by The Department of Travel and Publicity. The speech from the Throne states:

The government's policy of erecting plaques to commemorate historical sites and events will be continued and extended.

That statement called to mind a beautiful day in September when the

hon. Prime Minister visited Muskoka to unveil the first of the new series of Ontario historical site plaques at the Port Carling lock, and at that time the hon. Prime Minister spoke of the importance of that particular public work which was completed in 1871, its importance in the development of Muskoka and of the country further north.

There will be a number of other such historical sites marked in that way in our part, and other parts, of the province as well.

I would like to say that the designation of historical sites is of very great value to the tourist business as well as is the establishment and maintenance of local historical museums. I should also mention that the hon. Minister of Public Works (Mr. Griesinger) was also present that day last September and opened Island Park in Port Carling, adjacent to the locks which are the responsibility of his department.

I should mention also that a programme of landscaping is being carried out at the locks near Huntsville in Brunel township. The hon. Minister of Travel and Publicity (Mr. Cathcart) was also present on that significant day in September, and the event occurred during the time of the Muskoka cavalcade of colour when, as never before, public attention was drawn to the glorious beauty of the autumn foliage of the Muskoka district. As a result of that publicity, more people than ever in the past came to Muskoka to view the loveliness of our lakes and countryside in late September and early October.

In reference to the cavalcade of colour, and just in passing, I would like to say that it is important to remember that a vacation or visit to Muskoka is enjoyable at any time of the year. This winter has been an especially good one for winter sports in Muskoka. In January I had the honour of officially opening a 1,000-foot electric ski tow at Limberlost Lodge, and at that time I mentioned that the north is the place to which robust young Canadians should look for winter holidays where,

under a northern sun which sets the snow asparkle and where outdoor activity may be enjoyed in the clear, dry, invigorating air.

Speaking more generally, during 1956 the travel industry in Muskoka appears to have had a reasonably good season, though due undoubtedly to backward weather conditions in July and August, as well as in May and June, the volume may have been off slightly from the peak year of 1955. At the same time I know that many of the resort operators not only in my riding of Muskoka, but in nearly all sections of this vast vacation land, have reported fairly good years. Those resorts which were open following Labour Day and throughout the fall were able to report a record year, because last year we had beautiful weather during the autumn season.

Unfavourable weather conditions extended, too, in various sections of the United States, and particularly in the northern states, and resulted in fewer people planning their vacations. It is interesting to note that the average temperature throughout the summer at Cleveland was 5 degrees lower than the average temperature in the same period in the Muskoka district. As a result, therefore, the volume of business in hotels, motels, restaurants and all businesses which are dependent on the tourist trade showed a slight decline, but the appeal of the Ontario vacationland is of such strength that the general decline was actually quite small.

It is interesting to notice that in the month of November there was an increase of visitors to this province—not normally a travel month—but I think it might be said in that connection, that the advertising campaign of this province is having an even wider effect than we may estimate upon the citizens of the United States. Ontario is gradually overcoming the impression that existed for so long in the United States that this country is chiefly a place for summer vacations, and in the winter is just a place of snow, ice and Eskimos.

We may have a long way to go yet in overcoming any such impressions to familiarize the American people with the economic potentials of this grand province—in industry, manufacturing, mining and lumbering—but I do submit that The Department of Travel and Publicity under its capable hon. Minister is making very great strides towards bringing greater attention to Ontario, particularly in the 8 adjoining states, among the great population which exists there.

The day before yesterday the hon. Minister of Labour made some very useful remarks as to the benefits that have been obtained from American capital in Ontario industrial undertakings. I would like to state, Mr. Speaker, that the travel and resort industry provides, probably, the greatest means of increasing international friendship between our people and the citizens of the United States. I say, long may this type of friendship and understanding continue, as United States citizens enjoy healthful and restful vacations in Ontario and make themselves familiar with our viewpoint, as our people are now doing in the United States.

I would say, however, that I think more of our people do visit the United States, in proportion, than do the people of the United States visit us. However, I did want to make that reference to the possibilities for greater friendship between our two nations.

The department's advertising programme has included United States magazines, daily newspapers, radio and television during 1956, and there was a surprising increase of over 9,000 inquiries as a result of this advertising programme, despite the unseasonable weather conditions to which I have referred.

I am informed this was due to several factors, according to those who have studied this matter, as well as the increased interest in our province. Television was tested for the first time and showed fair results from a short film, depicting various scenes from our province and an invitation by the hon. Minister, to those who saw the programme, to come to Ontario on vacation.

Advertising was placed in Florida and in California, and resulted in an increased interest in our province there. The department also continued this programme of urging our own people to get about Ontario and know Ontario better. Daily and weekly newspapers were used, as well as the leading Canadian magazines.

There was an excellent editorial support for this programme on the part of the daily and weekly newspapers, and I was pleased to learn upon inquiry that this programme is to be continued this year, even with some expansion towards bringing the newspapers closer to the campaign in a larger space display.

It has been noted that the "Know Ontario Better" slogan was well thought of by the Canadian Travel Bureau, so that this plan was assumed, in part, by that organization, and now they are promoting the idea through national advertising of railways and of the travel bureau in a "Know Canada Better" campaign. I understand that there was an increased volume of inquiries from such advertising in Ontario, Quebec and other provinces of Canada.

In his interesting speech on this debate, the hon. member for Huron (Mr. Pryde) said that in his riding the role of the farmer is becoming smaller. I would like to deal with that in a moment, but first I would point out that crops grown on Muskoka soil generally are of excellent quality. Once again Muskoka produce this year won international championship prizes, emphasizing the superiority of certain agricultural crops in this district.

Mr. Roy Goltz, of Monck township, has again won championship prizes at the international grain and hay show, held at Chicago. He entered two exhibits of field peas, each of which won first prize in its class. The small peas won the championship of the international fair in that class, and the large peas the reserve championship. There was only one other championship won by an Ontario exhibitor.

Since 1950, Mr. Goltz has entered this competition each year but one, and has

taken 3 championships and 5 reserve championships. A one-pound lot of each of the prize-winning exhibits is on display with The Department of Agriculture exhibits in the east block of the Parliament buildings. Mr. Goltz deserves high praise for his outstanding success.

Then take the results obtained by members of the Muskoka Crop Improvement Association in their oats competition. I find that the provincial average yield per acre last year in oats was 42.6 bushels. In Muskoka, among 17 contestants, one was below this average, all others above. This might, of course, be expected in such a competition, but the winner had a yield per acre of 140.11 bushels, and the average was 79.21 bushels.

But taking the average yield for the whole district, the agricultural representative, Mr. W. D. Tipper, told me that the grain yields for Muskoka run between 50 and 55 bushels to the acre. Again in corn silage, the top production was a yield of 39.1 tons to the acre whereas, in the province at large, Professor Jones of the Ontario Agricultural College has stated that 20 to 25 tons is considered a fairly good yield. The average yield in the competition in Muskoka was 27.36 tons.

So these few facts illustrate that Muskoka farms are able to compete well, due no doubt to soil and precipitation conditions, as well as to the hard work and care of the producers.

But to return to the statement of the hon. member for Huron as to the role of the farmer becoming smaller, I would say that with reference to general farming conditions in Muskoka, the original size of farms and changes in the farm economy have gradually set a pattern which continues to develop every year. Of course, there are the demands of the tourist and construction and lumber industries, particularly from labour standpoint. Thus many of the original farmers belong to the part-time class, their other chief occupation being lumbering.

With the economic changes of the years, there has been a gradual develop-

ment of more part-time farmers who for the most part gradually go out of the farming business altogether. As this trend develops, we find that the full-time farmers gradually tend to expand their acreage, very often with purchases of these smaller units. In many cases these larger units are devoted to the dairy industry, which is of prime importance in Muskoka district.

This trend is very gradual but as one goes from township to township, he can see it taking place each year. One other factor that has had some bearing on numbers of farms is, of course, the demand for building, and tourist properties, particularly where water frontage is involved. A second factor in this phase of farm land purchase for other uses is the Christmas tree trade. Many of the smaller farms that have gone out of business were lighter lands that have been purchased for this business, and it is reasonable to expect that it could be quite profitable in the years to come.

For the most part, these changes, in a land use sense, are considered to have been fairly healthy, but from a municipal standpoint unless they are replaced by taxable property such as we find in the tourist trade, they can be quite a problem.

I have referred to the use of former farm lands for reforestation. In Muskoka district itself, this is mostly on private land, and in a large part is used for Christmas trees. I have not the figures for our district alone but I am told that in the general area in which Muskoka is included one million trees are planted each year on private lands, and about the same number by The Department of Lands and Forests on Crown land.

While I would like to spend time this afternoon discussing this subject in detail, I would sum it up by saying that the need in a district such as Muskoka is not so much reforestation, important though that is, but good forestry practice, and the means whereby a great deal more of the forest crop can be properly harvested.

We find that trees which do not meet the standards required for lumber production are being left. The establishment of mills in Muskoka which could make greater use of this kind of material for wood products would be a blessing indeed, and in this connection I believe that one company is planning to produce a type of board for construction, along these lines. The opportunity appears to be there, for new wood-using industries to make use of the lower grades of hardwoods now being left in the forests. This is especially possible with the development of new methods for using heavy hardwoods in pulp manufacture, where, by the semi-chemical process, hardwoods can be used in newsprint and other products.

I also want to mention now, as I often have in the past, the opportunities there are for municipalities to make use of abandoned land for forestry purposes. A great degree of assistance is available from The Department of Lands and Forests, and in our own area Mr. Rae Grinnell, the reforestation supervisor, is enthusiastic on this subject, and would be ready to help municipalities in this way. I would also like to suggest to the hon. Minister of Lands and Forests (Mr. Mapledoram) that it would be a worthwhile project for the department to obtain some of these lands and to build up a further reserve.

One other thing that I have been asked, more than once, is if some means could not be found to prevent cutting of trees along roads and lakeshores in order to preserve the beauty of the countryside. Well, of course, under The Trees Conservation Act of 1946, municipalities may pass by-laws having to do with the preservation and development of the local woodlands. I believe about 10 of the counties have such by-laws. In Muskoka, where we have no county organization, only one township, the township of Brunel has studied this matter and passed a restrictive tree-cutting by-law. I would like to suggest that more municipalities in the tourist areas of the north study the opportunities they have under this permissive legislation and act to protect the

attractiveness of the countryside in this way.

Mr. Speaker, in conclusion I would like to refer to the statement of the hon. Minister of Lands and Forests in the House on Wednesday with regard to the Tadenac and the Madawaska clubs which are located in my own riding. Both of these clubs were granted exclusive fishing and hunting rights for areas of Muskoka by provincial charters granted in the time of the Ross administration. With the hon. Minister's statement I very heartily concur when he said:

I cannot say too strongly that this government is not in accord with these particular clubs, but we are tied by the charters granted by former administrations.

Of course, clubs of various kinds are welcome in Muskoka just the same as other summer-property owners. For instance, I would like to refer to the Sharon Social and Fishing Club made up of men mostly from Sharon, Pa. It was a tragedy when their historic club house, which was 60 years old, burned down last June. This club is located at Beaumaris on Lake Muskoka. The club has let a contract for a new \$27,000 club house.

These gentlemen are pleasant visitors, always welcome and they take their part in the community, but this club is not to be compared with a club like Tadenac, where I understand 10,000 acres of land are owned by the organization.

There is no quarrel with property ownership in a sense, even though this land was acquired originally for a most nominal amount. On this huge property in the organized township of Freeman is one club house which can accommodate 11 persons and there is also the caretaker's residence. I think I may say that in the eyes of the public the objectionable feature is today the granting in times past of the sole rights to Tadenac of the water, the water lots, the shoreline road allowances and the fish and game. This was done, al-

though the waters of Tadenac Bay and Tadenac Lake are navigable. Let me quote from an article which appeared in the *Midland Free Press Herald* of May 16, 1956, written by one of the officers of the Tadenac Club Association. He said:

Over the past few years the membership has become alarmed over the increasing infringements and usages of the club's rights by unauthorized persons. Fishing in the waters set aside by the Crown for the club's exclusive fishing enjoyment has been the major violation.

My understanding that these rights over waters granted by the Crown for a club's exclusive fishing enjoyment were not granted during a Conservative administration, and I for one was very glad to hear the hon. Minister proclaim that such rights would not be granted today. How could they be with the needs of a growing population in Ontario and nearby states for summer property?

Just to place it on the record I would like to refer to the Madawaska Club, a club which has about 13 or 14 miles of shoreline on the Georgian Bay. Crown lands comprising 1,084 acres in the unorganized township of Gibson were granted by the Crown in 1904, at which time an undertaking was given to carry on experimental work on the location in forest biology and other branches of natural science.

Mr. Speaker, I am told that work has largely lapsed. Now, in addition to the more than 1,000 acres owned by the club, 230 acres are held under a lease issued in 1935. The hon. Minister referred to the time of renewal for that lease as being 1962. I believe there are 30 summer cottages on the land held by the club. Under current land sales regulations the maximum shoreline frontage which may be purchased from the Crown is 300 feet, but there is a far greater frontage on an average for each of these properties.

None of us object to the wishes of property owners—none of us in Mus-

koka do—the wishes of property owners to some degree of privacy and even exclusiveness. But certain privileges as in the case of these clubs which are in Muskoka but front on Georgian Bay go beyond what, in my opinion, should be what reasonably is expected. I felt, Mr. Speaker, that since these properties were in my riding, I should give this information to the House. As for myself, I am glad to know that it was not the party to which I belong which granted these very special privileges to these particular clubs.

MR. J. W. SPOONER (Cochrane South) : Mr. Speaker, I wish to express my congratulations to you for the very able manner in which you conduct this House and maintain order and decorum, and I also wish to congratulate the hon. member for Lambton East (Mr. Janes) who is maintaining the same high standard of propriety; I must also add these words to you, seeing that you are in the chair at the present time.

Mr. Speaker, I have had the honour to represent the people of Cochrane South for some 20 months in this Legislature, and I think this opportunity should be taken to express my appreciation, and that of the people I represent, for the very kind co-operation extended to me by, not only the hon. Prime Minister of this province (Mr. Frost), but by the hon. cabinet Ministers, deputy Ministers, and the different departments, the members of whose staffs I have had to deal with during the past, almost, two years.

We find, particularly among the staffs, people who are very well trained and well able to perform the functions demanded of them and, I am pleased to say, they had a most honest understanding of the problems I posed to them from time to time. I am sure that it is this appreciation on the part of the government and its administration of the needs of the people of the province of Ontario that make the positions of the hon. members of the Legislature so interesting, and, also, strengthen our feeling as hon. members that the administration is the best that this province has ever had.

Primarily, Mr. Speaker, my constituents are miners of gold. This is a commodity for which men have toiled for centuries because the possession of gold meant power to buy necessities as they were required. The possession of gold by nations meant trade in the goods and services with one another. And, too, it was an acceptable medium of exchange to balance their account.

Unfortunately for us, and for Canada, there has arisen in recent years a certain thinking in international monetary circles that gold is no longer required for international trade. America today, as the big world financier, is still willing to buy Canadian gold, but, of course, without competition. America controls the price through the International Monetary Fund at \$35.00 per ounce.

However, the government of Canada is still a strong believer in the value of gold and Canada, for some years now, has been paying a higher price than America for gold through The Emergency Gold Mining Assistance Act. The average increase or assistance paid for the gold produced in the north country last year was \$5.05 per ounce. This assistance has been of great value to the gold mines in this country and to the welfare of the people living in the gold mining communities. It has permitted many mines to continue operations, and the employment and purchasing power thereby continuing to benefit all of Canada. As I said before, the primary interest of the people of Cochrane South is gold.

During the year 1956, 31 gold mines in Ontario produced \$85.5 million, and of this production over \$66 million came from the gold mines in my riding: Porcupine, Timmins, Kirkland Lake, Larder Lake and Virginiatown. In other words, over 77 per cent. of all the gold produced in Ontario came from the part of Ontario which I represent in this House. One mine alone, Kerr-Addison, produced \$16 million of that gold and did it without any federal government assistance in 1956. These mines have provided steady employment for over 9,600 men who earned around \$30 million in salaries and wages.

I do appreciate, and I am concerned, Mr. Speaker, as every hon. member of this House is, that wages in this industry have not increased as much as in other industries or other mining operations. But I believe an honest effort is being made by the gold mining industry to pay as much in wages and to grant as many employee benefits as is economically possible.

They are represented by a very strong union organization who are, themselves, very much concerned with the difficulties and with the situation and the financial limitations placed on the industry, and, I can say, they are doing their very best to get and to co-operate with the industry commensurate with the needs of their members and the communities in which they live.

As hon. members can realize, mines require a large amount of supplies, including explosives, machinery, and many other services which are not produced in our part of the province. These must be purchased from the industrial south. My estimate is that the gold mines of northern Ontario spend each year an amount in excess of \$20 million for the purchase of the articles I have mentioned. So that, indirectly, the rest of the province of Ontario and other parts of Canada share in the benefits of the purchasing power produced by these mines.

Canadians have more than a passing interest in gold and its continued contribution to Canadian industries. The purchase of supplies for the mines, as well as of goods and services required by miners and their families as well as thousands of other citizens of these areas, have a most beneficial effect on the economy of the entire country.

In recent years a very large and important deposit of asbestos was developed a short distance east of Matheson, and in 1956 this modern plant produced asbestos to the value of \$3,850,000. This asbestos is used by Canadian Johns-Mansville Company in its many plants in Canada and the United States, in the manufacture of different articles. This same company

will shortly be manufacturing in a new plant in North Bay, where asbestos from a mine at Matheson will be utilized. Another new asbestos producer is located south of South Porcupine and it is just now getting into production.

It may be of interest to hon. members to know, that in technology there have been developments in recent years for methods of using the short fibre asbestos, which is found in the north country, in the manufacture of many articles for which there is a demand in the markets of the world. The asbestos discovered in northern Ontario is mostly of that variety. This new producer at South Porcupine is now using asbestos from its own mining property and is also obtaining asbestos from the dumps of former gold-mining operations.

The successors of the prospectors who discovered gold in the Porcupine district and Kirkland Lake district are still working on other discoveries of metals and minerals including copper and iron. We hope with the completion of the capital investment in the uranium areas that finances will become more readily available for development in these fields in our part of the country.

Large deposits of iron ore are known to exist in the Kirkland Lake area and the owners of these deposits have gone so far in their planning for the future as to discuss transportation of the ore over the Ontario Northland Railway, so hon. members can realize their interest is not a passing interest only.

There is some hope, as the gold mines are depleted, other minerals will come into production and replace the purchasing power thereby lost and continue to maintain, for many years, the many fine communities that have been built by the men who toil for gold.

Mr. Speaker, we also have many other interests which we believe are important to Ontario. Our forests have, for many years, provided employment for many thousands. The great paper industry at Iroquois Falls and the fine community it supports are a credit to Abitibi and its associates. The lumber mills which

spread throughout the north country supply local mines and local demands, but much of the surplus production is built into the homes of the south.

One matter which requires very continuing attention by this government is the protection of the forests. This is necessary to provide these mills with sufficient raw material to process, and to protect the game and water resources which we have.

In recent years, a real effort is being made by this government to regenerate the forests. As the trees are being cut by the lumber companies, they also plant seedlings on areas cut over years ago. I believe this to be a most important work, and I recommend to the government that no part of this programme be reduced, but that it should be intensified if at all possible. The forests of northern Ontario must continue to produce a crop in perpetuity. Nature is slow to replenish the forests, so the state must assist by artificial means.

Much of the forest is regenerating in the soft woods, such as poplar, instead of pine species. Poplar today is being used in the manufacture of a very high quality of plywood at a plant in Kirkland Lake, and I also believe, considering there are so many large tracts of poplar which exist in the north country, that the day may not be too far off when poplar could be more generally utilized in the manufacture of paper.

The agricultural areas of Mountjoy and Tisdale townships and Matheson and Val Gagne areas supply some of the food stuffs consumed in the area. There are still large tracts of land which are not being used and, I believe that The Department of Agriculture might carry on an advertising programme, as it were, to attempt to interest persons in these large tracts of Crown lands. In many cases these lands would, I am sure, lend themselves to ranching in that country.

The Department of Agriculture has given much needed leadership to our farmers and advice and support to our agricultural representatives is much sought after. The growth of agricul-

tural areas is slow but steady, and I am confident it is a gradual growth that will continue as facilities of roads and hydro and schools are improved, and as time goes on.

Mr. Speaker, one of the potentials of the north country lies in the development of the tourist industry, and that in my opinion depends more on good and proper means of transportation than anything else. We now have a first-class highway from North Bay north to Cochrane and Timmins and on west of Cochrane. This government has recently awarded a contract for the completion of a most important highway, and that is the one from the town of Matheson to the borders of the province of Quebec. This new road will be most important to the development of the tourist industry, not only in our area, but in the whole province of Ontario.

In the speech from the Throne it is also stated that this year the town of Foleyet will have an outlet to Timmins. This, again, is a most important highway. I am sure the government is aware of the demands I have made before, supported by municipalities and citizens of the north country, requesting a continuation of this road to Chapleau, which would then provide an outlet to No. 17 highway, the trans-Canada highway, at Sault Ste. Marie.

With the new bridge at Mackinac straits, 30 million Americans will be interested in visiting the great northern playground, which they have not been able to visit before. The road I speak of through Chapleau, Foleyet, Timmins, Matheson and on to Montreal will really appeal to them as it will open for their enjoyment, and that of our own people, a great new area of camping, hunting and fishing grounds. As new facilities for attending to the needs of tourists and visitors are being made, I am sure visitors to that area will be well taken care of.

Mr. Speaker, while speaking in connection with tourists, and so on, I was looking this afternoon at this little pamphlet which explains the floral emblem of Ontario, and I note it was

officially passed by the Legislature in 1937 as the official emblem of this province. I just wonder if the same principle which the veterans' organizations have used to popularize the poppy might not be considered as a method of popularizing the floral emblem of Ontario—the white trillium. Perhaps they could be manufactured by veterans also, and I suggest presenting one of these to each lady entering at the border points of the province of Ontario so that it would be worn by visitors to our province.

Mr. Speaker, I would now like to take a few moments to turn to the matter of municipal administration and municipalities, and I must say the municipalities in my riding are no different from other municipalities in Ontario; they are all having their financial problems.

In the north country the situation is a little more serious because the municipalities have had to supply so many services in such a short period of time.

This government has been good to us; the mining revenue payments, which were instituted by this government in 1952, have been a very important factor in facilitating a solution to some of these problems. Mining revenue payments are paid to the municipalities which supply municipal services to their residents who are employed in mines. One municipality, for instance—a comparatively small rural municipality—has received in 1956 an amount of over \$4,000 in grants from the province for this particular item because it supplies services to resident miners, although it does not have any mining operations within its borders.

The principle established by mining revenue payments is the distribution of taxes on industrial assessment to the municipalities supplying services to residents employed in the industries irrespective of the location of the industry. This may not be the best system of obtaining industrial taxes from all the mines in this province, but it certainly seems to me to be the best system devised for the gold mining

communities. Last year mining revenue payments were paid to municipalities with total populations of 180,000 people in 39 different communities.

The mention of municipal matters brings to mind our late and respected friend, the hon. member for York West, Mr. Elmer Brandon, who, for many years, was a very close friend of mine. We all know that in his lifetime he gave of his great ability and talent in very large measure in the interests of his own municipality, in which he lived, and also in the interests of all this province. He rendered notable service as the chairman of the provincial-municipal relations committee, which was instituted by the hon. Minister of Municipal Affairs (Mr. Warrender).

I believe that this committee fulfils an important function, and I make the statement with all due respect to the hon. Minister of Municipal Affairs, and to his great ability, realizing, however, that it must be a monumental task for any hon. Minister of the Crown to study and consider the financial problems which exist and come up from time to time in the 974 or more municipal corporations in a growing province like Ontario.

May I respectfully suggest this committee be continued, that a chairman to replace our late friend Mr. Elmer Brandon be named, and that the committee be empowered to continue to make their services available to the administration and to the municipalities.

Mr. Speaker, the people I have the honour to represent in this House are a virile and aggressive people. They face the future with faith in their ability to meet the demands of the times. A fine home for the aged is now in operation in Timmins—the first home erected in that part of northeastern Ontario. Two other municipalities in the districts of Cochrane and Timiskaming are seriously planning homes.

We have a great number of citizens who are studying educational needs at university level. Last year the hon. Minister of Health (Mr. Phillips) opened the new hospital at Iroquois Falls, and extensions are being planned at the

present time to the hospitals at Kirkland Lake and Timmins. The Northeastern Ontario Development Association is working very steadily assessing the resources of the north with a view to promoting additional industries.

We expect natural gas to be available next year, and we look forward with anticipation to the effect of this new resource on the processing of the many forest and mineral products which now leave our area in their primary state. Experience in other countries has shown that when gas becomes available industry develops in those areas. There certainly is no doubt in my mind of the great demand that will exist in northern Ontario for the use of gas for domestic purposes when it becomes available, because today our coal and oil are both brought in from tremendous distances, and with natural gas flowing through northern Ontario we feel we should be in a position to obtain gas for domestic and industrial uses at a lower price than will be charged in the area of southern Ontario.

The government has shown interest and concern in our problems, our hopes and our ambitions, and with the continued co-operation of this government, our people can prosper and continue to make their rightful contribution to the welfare of this province.

MR. E. P. MORNINGSTAR (Welland): Mr. Speaker, I would like to join the former speakers in congratulating you on the wonderful job you are doing as Speaker of this House. I certainly agree with them that you have been very impartial in your rulings, and do hope you will continue along those lines, as I am sure you will. I would also like to congratulate the Deputy Speaker on his elevation to that position. I feel confident he is well qualified to look after this position with his long experience in the House.

Mr. Speaker, I would like to compliment the hon. mover and second of the speech from the Throne for their excellent presentations.

I look forward each year to this opportunity of bringing to the attention of the

hon. members matters of concern to the people in my riding and, of course, to the province as a whole. I might say that this occasion also gives me the opportunity of noting that, in the hon. Prime Minister (Mr. Frost), Ontario has a leader who serves all our people, and under his leadership a people's government.

Mr. Speaker, I should like to make special mention of the fact that our great hon. Prime Minister has now served the people of Ontario for a period of 20 years—two decades of strenuous, full-time, progressive service. This is a lengthy period of unselfish contribution in the cause of good government. From 1937 to 1943 he was "a rose among the thorns," and then was able to blossom forth into full flower. Ontario is indeed the most fortunate province in this country of ours in having the hon. Prime Minister to direct the affairs of state.

Mr. Speaker and hon. members, I would like to mention the agricultural situation in the great riding of Welland. As you know, we are very highly industrialized, and we also have the agricultural areas. I might say a strong feature of the Welland county fair was the Black and White Show held by the Holstein breeders; 105 head of Holstein cattle were exhibited.

Ayrshire, Guernsey, Jersey, Aberdeen Angus and Hereford cattle were also shown. There was a total of 148 head of these breeds, making a grand total of 253 head.

I might say this number is increasing year after year, which shows very good leadership on the part of the directors of this great agricultural organization.

The sheep show was an outstanding feature of the livestock show, being one of the largest sheep shows with an entry of 269. Other large entries were in the junior building and the fancy poultry section.

We also had a very good ploughing match, as usual, in the great county of Welland, and there was prize money of \$590 contributed, given out as prizes.

I might say the boys and girls are taking a great interest also in the agri-

cultural club competitions and in the Four-H Club, which the following information will bear out:

fully in stride with, and in some cases pace-setters in, the continued great growth and development of our nation.

<i>Name of Club</i>		<i>Membership</i>	<i>Sponsored by</i>	<i>Prize Money</i>
Dairy calf clubs	(3)	32	Thorold Kiwanis Club	\$130.50
			Special grants by:	
			Hamilton District Cattle Breeding	33.50
			Welland County Holstein Club	19.00
Potato	(1)	10	Welland Rotary Club	27.00
Grain	(1)	10	Welland County Crop Improvement	36.00
Total enrolment		52		\$246.00

Mr. Speaker, we in the "west side" riding do appreciate the wonderful co-operation which we received from both the provincial and federal governments in constructing a road on the west side of the Welland ship canal from Port Colborne to Welland. This road has gone a long way in alleviating some of the traffic congestion in the city of Welland.

We are now asking our hon. Minister of Highways (Mr. Allan) to extend this road northerly to connect with the Queen Elizabeth highway at St. Catharines. I would also strongly request our government, especially the hon. Minister of Highways, to negotiate with the federal authorities in making it possible to provide overpasses or underpasses for the Welland ship canal in the Welland-Port Colborne area as I feel this is the proper time when the deepening of the St. Lawrence is under way.

I might say, we had the members of the toll roads committee visit us; they met in the city of Welland, and all of them sympathized with the citizens in that part of the province in connection with the handicap they suffer in regard to the Welland canal with the boats traversing up and down. They themselves were delayed one-half to three-quarters of an hour in getting across the canal, thereby seeing just what the situation was.

On every side, there is marked evidence in the riding in which I have the honour to represent, that we are

Over the past year more than \$12 million has been spent on construction in the Welland riding. We have added more than 700 new homes. The outlay for production equipment is well up in the millions and all our municipalities are embarked on notable programmes of improved services.

One of the greatest needs in the highly-industrialized Welland-Crowland area is a new hospital. I am happy to be able to state that planning is in the advanced stage for a new hospital which will cost close to \$4 million. Already the city of Welland and the township of Crowland have each pledged \$1 million towards this project. Other municipalities in the area plan to contribute their share and a general campaign for funds will soon be launched.

Our industries are meeting the challenge of a rapidly-growing Canada. In partnership with the Steel Company of Canada, Page-Hersey Tubes have begun production for the first time in Canada of "big inch" pipe in a new \$10 million mill. This great firm is also spending another \$5 million for a new electric resistance weld mill which will permit it to serve Canadian needs in an even greater field of smaller size pipe. Just recently the Page-Hersey firm located its plastic pipe division in Welland, so that we are truly the country's leading pipe-manufacturing centre.

Within a year, the mighty plant of Atlas Steels Limited will have had

erected the first stainless steel office building in the Niagara district. This will be part of a general expansion programme at the plant costing \$5 million.

The Atlas people, underscoring their live and generous interest in community affairs, sold their present office building to the city of Welland for a very nominal sum, to be transformed into a new city hall.

This gesture at once solved a very pressing accommodation problem for the city, and saved the municipality hundreds of thousands of dollars.

New schools continue to go up all over the riding. Most notable this year will be the erection of a new high school in the Fonthill district at a cost of more than \$600,000.

Our spiritual life grows at pace with churches adding facilities, a new Presbyterian and United Church are under way in Welland.

Fonthill's own Marlene Stewart has continued to be a bright gem on the sports scene; this magnificent young woman from Fonthill not only continued to reign as queen of the Canadian golfers, but in 1956 added the United States amateur crown to her long list of triumphs.

In the city of Welland, the young and thriving Notre Dame establishment of learning for the second season in succession captured the Ontario all-Catholic high school basketball team. The Welland-Crowland community was one of the first to accept Hungarian refugees and will soon have handled a total of 200 of these proud and defiant people. The Hungarian people have been our fellow citizens through the years and have set glorious examples in industry and progressiveness, and I know that the newcomers who have fled oppression will do likewise.

Every hon. member will know of my great interest in the welfare of persons who are unable to provide for their own needs through their own efforts or through employment. Today we have the highest standard of living; the greatest number in employment; and the

future looks even brighter. Nevertheless, there are people who, because of age, illness, and circumstances of misfortune beyond their control, are dependent upon the public as a whole for maintenance and support.

Most of you know that my own employment brings me in close touch with the ordinary working people of my riding. I am personally aware of many of the difficulties and problems which some people must face, and the way in which many must live. In the realm of human progress, it is notable that today there is much less distress, but much is yet to be accomplished for the welfare of people who need our help.

In many respects, those to whom we owe the most—our older citizens—often receive the least consideration. Frequently, their families are unable to give the kind of care and financial support they would wish to be able to give. And, unfortunately, because of customs which have been developing in recent years, older people often find themselves without employment. This often takes place in spite of the fact that many are quite capable and willing to continue with their employment, and to make a very fine contribution to their community, our province and our country as a whole. In this day and age, when everyone's standard of living is so dependent upon the maintenance of a high level of productivity, it would seem that we should be utilizing the services of every able-bodied person.

Mr. Speaker, my sympathies are with those older people who are wholly dependent upon the old age security pension of the Canadian government and old age assistance as sponsored by the government of Canada. Surely, it is about time for them to establish a realistic living allowance. Certainly, from all I have been able to gather, the Canadian public is contributing huge sums of money for the care of aged persons. But I am afraid that a very large proportion of these funds is being siphoned off by the Canadian government in the form of income taxes. I would like to ask: How do we know

what amounts have actually been paid by every wage earner in the form of 2 per cent. additional income tax up to \$60.00 maximum per year, plus 2 per cent. in sales taxes, and 2 per cent. in corporation taxes?

Mr. R. Herbert (Timiskaming) moves the adjournment of the debate.

Motion agreed to.

Hon. Mr. Dunbar moves the adjournment of the House.

Motion agreed to.

The House adjourned at 3.52 of the clock p.m.



ONTARIO

Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, February 18, 1957

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1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

MONDAY, FEBRUARY 18, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. D. M. KERR (Dovercourt): Mr. Speaker, I beg leave to present the first report of the standing committee on education and move its adoption.

CLERK OF THE HOUSE: Mr. Kerr from the standing committee on education presented the committee's first report, which was read as follows and adopted:

Your committee begs to report the following bills without amendment:

Bill No. 48, An Act to amend The Schools Administration Act, 1954.

Bill No. 50, An Act to amend The Department of Education Act, 1954.

Also to report the following bills with certain amendments:

Bill No. 47, An Act to amend The Public Schools Act.

Bill No. 49, An Act to amend The Secondary Schools and Boards of Education Act, 1954.

Motion agreed to.

MR. SPEAKER: Before the orders of the day I would like to say that we have on the desks this afternoon some products from the county of Kent.

This is not a precedent by any means; at various times we have had placed, on the desks, products from other constituencies, including apples, honey, maple syrup, cheese, and this time we have several products from Kent. I was asked permission to have these placed on the desks and I granted that permission. I might say they asked that only two products be placed on the desks, but they were overly generous.

I am reliably informed that the town from which these products came is shortly to become a city, and I am sure hon. members will understand their zeal and enthusiasm at this time, but apparently the spirit of generosity of the people exceeded good judgment.

MR. F. R. OLIVER (Leader of the Opposition): Well, Mr. Speaker, on the very subject with which you have been dealing, these gifts, of course, come from the now town of Wallaceburg, a very fine and thriving community that expects and hopes to be incorporated as a city very shortly. In your remarks, Mr. Speaker, you intimated that these were products from the county of Kent which were placed on our desks, no doubt in your estimation to acquaint us with that county and their products.

That could be expected and accepted, but I am afraid one rider must be attached, and I would be failing in my duty if I did not attach that rider; which is, of course, that all these things that are going to happen to the town of Wallaceburg are more or less

dependent upon, so it is suggested, a matter which will be decided upon by this Legislature. In the very fine brochure that has been put out, you will notice on the inside page where it says: "Canada's next city if we get the retarded children's hospital." On the sugar it suggests it would be good for the retarded children in this new hospital in the town of Wallaceburg, and on this other parcel also.

All the parcels are tied in with a very timely suggestion from their point of view at least that this Legislature is to be called upon to construct a hospital and they are getting in their bid for the town of Wallaceburg in this way.

Whatever the town of Wallaceburg can do to get this hospital in a legitimate way, I am all for; it may be the best place in the province for the hospital, I do not know, but the point I want to make is this—there are other places in the province of Ontario that feel they also have some right to it. The hon. member for Huron (Mr. Pryde) spoke the other day about his county and the right it has to get this hospital.

Having been showered with these gifts from the town of Wallaceburg, it seems to me no other place need apply, not unless they can better the offer of this town. The first thing hon. members know, we will be having tractors from Brantford, furniture from Kitchener and Hanover, and cars from Windsor. There is really no end to what hon. members can expect if this sort of thing goes on.

I seriously say to you, Mr. Speaker, that I do not like this principle, I believe it is a bad one and it smacks very much of what we have heard about lobbies in other jurisdictions, from which we have always been proud that we held ourselves aloof. This is a high pressure method, there is no doubt about that, and as such I suggest it has no place in this Legislature.

I would also say that if some other municipality gets the hospital rather than Wallaceburg, it will be said that they

have perhaps offered something more than Wallaceburg; if Wallaceburg gets it, it will be said that they were favoured with the hospital because they offered these gifts.

I think it is well that legislators should be completely free from all these entanglements, as it were, and free to make up their own minds on the issue and on the issue alone, and not have their minds cluttered up with idle issues such as we have on our desks this afternoon.

I cannot speak too strongly about this as I feel very keenly about it, and as far as I am concerned whoever authorized these products to be placed on the desks should make a similar authorization and have them taken off and put to some good purpose, donated to some charity, and then hon. members can get on with the business of the House.

MR. D. C. MacDONALD (York South): Mr. Speaker, just one brief comment. I am completely in accord with what the hon. Leader of the Opposition has said. I am sure the intentions were good but I would remind the House that about two or three years ago, when we had a high-priced firm investigate The Department of Highways, it was strongly advised that the procedure of Christmas gifts should be discontinued because of their questionable influence and the kind of public reaction they might produce. I suggest these gifts are in somewhat the same category, and submit that for the same reason the practice should be halted at this point.

MR. G. W. PARRY (Kent West): Mr. Speaker, I am sure I am as interested as any hon. member in this House. This was all done in good faith, I can assure you. I had a call as late as Thursday requesting that the citizens of Wallaceburg bring something to advertise the town of Wallaceburg, and these gifts are donated by the citizens and sponsored by the service clubs, Rotary, the Kinsmen and the town council.

It seems to me that they have been over-generous. I was amazed when I

arrived at the buildings this morning to see this great display of goods, but I would like to say to the hon. members, that there is a group of the citizens of Wallaceburg in the chamber, they are young and enterprising men like myself. I am not young and am sorry for that, but apparently they were not familiar with the rules of the House, and in my estimation, in all fairness, it is a democratic procedure. I do not consider it is a bribe in any way, shape or form.

At this time, I would like to say something about the sugar. We have two refineries, one at Chatham and one at Wallaceburg. The sugar beet is produced in 8 counties, and processed in the beautiful county of Kent, and I am proud of it; I am proud we have the refineries there.

But I think we are leaning just a shade too far away from good democratic government. I may be wrong. The hon. Leader of the Opposition has had far more experience than I have, but I am talking of the very fine citizens of Wallaceburg who said: "We want to advertise Wallaceburg." I think that is only good business. Wallaceburg is a town of 8,000 people, it is divided by the Sydenham River which is used for inland shipping.

I would make one mention of this glass: the glass works in Wallaceburg employ 1,000 people and have 3 shifts a day, 7 days a week, 365 days a year. That is to the town's credit, and why should these live citizens of Wallaceburg not come and tell us what they have? A great number of people do not know Wallaceburg is in my riding.

I will say this, they were over-generous but there are times when we all, during our lifetime, buy a little too freely.

HON. LESLIE M. FROST (Prime Minister): Mr. Speaker, I would like to say a few words in connection with this matter. I was certainly surprised when I arrived here to find on my desk these gifts from that great town of Wallaceburg. It did not leave me very much

room for my work, so I had to clear the desk for action.

However, I think first of all we have to get this matter into perspective. This town of Wallaceburg is a very great place, a fine town. I have been there and, in the course of my visit, was made an Indian chief, I received a hatful of feathers which I have at home. They also gave me some glasses which I found very handy afterwards, as one of the mementos of that visit, which took place a number of years ago.

These people have a great community, and are fine, enthusiastic citizens, and I would say to hon. members of the House that I would not become unduly excited about these gifts. I am going to take mine home and give them to Mrs. Frost.

When hon. members look at the gifts I think they will see they are only samples of products this ambitious town produces in the course of business there. I do not think anyone should get very excited, or fear that this is anything which is ever calculated to, or would, affect the integrity of this House. I am sure that is not the idea. When the time comes to make decisions affecting Wallaceburg or any other place, we will use our good judgment, and in the meantime I think perhaps we ought to turn to this good town and say that they have carried out this commission with the enthusiasm for which Wallaceburg is noted, and we regard it as a fact that the larger this great inland Ontario community grows, and the older it grows, the more enthusiasm its citizens will have for the future.

MR. T. PRYDE (Huron): Mr. Speaker, you will recall, a week ago today during the reply to the speech from the Throne, I made a vigorous plea for the building of this retarded children's hospital in the county of Huron. It was never my intention or the intention of any of those who are backing this project in Huron county that we should enter into any competition with other jurisdictions as to the manner in which we were to present our claims.

I think this just points out what I said last Monday. We have nothing in Huron county to keep our population employed. The member for Kent West told hon. members of this distinguished House about a very fine glass works employing 1,000 people; a sugar refinery in Chatham, and another one in Wallaceburg. The whole burden of my argument was that as we had nothing, why should this government put something that would help one part of the province in another section which does not need it?

We have nothing in the way of a sugar refinery or glass works in Huron county. We have endeavoured to place all the facts, the natural advantages of Huron before the cabinet, and last week I tried to make the hon. members of this House acquainted with all the natural advantages of the county of Huron, and I rest my case on that.

But if it is the desire of the hon. Speaker or the hon. members of the government that I should back up my claim by something of this nature, I might say we are a great bean growing county, and if the hon. Speaker thinks it would be wise, we will have a bushel of white beans placed before every hon. member of the Legislature. I am just making that as a suggestion; I do not think further evidence is required of the importance of Huron county, I tried to do that last Monday. I rest my case on the good judgment of those who will make the decision on all the facts and the natural advantages of Huron county.

MR. C. E. JANES (Lambton East): Mr. Speaker, I know these good people in Wallaceburg as they are not very far out of my own riding, I wish they were in it. Every time I go to Wallaceburg, in their kindness, they give me something: glass, sugar, a can of something or other, and I know it is just out of the kindness of their hearts. They want to give the visitor something to show their friendliness and, as far as I am concerned, I am going to accept these gifts in that spirit.

MR. ALLAN GROSSMAN (St. Andrew): Mr. Speaker, I would just like to say this: by this occurrence here today, Wallaceburg has probably done more to bring to the attention of the public and, probably, will get more publicity in the press for the need of retarded children's schools than the hour-long speech I made last week.

HON. A. K. ROBERTS (Attorney-General): Before the orders of the day I would like to draw to the attention of the House a matter of importance; something that was reported on Saturday last, in the February 16th editions of both the *Toronto Daily Star* and the *Telegram*. Considerable publicity was given to alleged installations of microphones in lock-ups. The headline on the *Star* stated: "Probe Microphones in Lock-up", and in the *Telegram* it said: "Probe Lock-up Eavesdropping, Secret Mikes in Cells."

Both articles referred to concealed super-sensitive microphones or listening posts being built into a new Ontario provincial police building at Essex. Both articles were clear on this point, and when I was contacted about this I said I have never heard about any such undertaking. We have been, this afternoon, discussing a matter of giving but here is a subject that might have something to do with taking.

Mr. Speaker, since taking office I have visited all the district headquarters and a large number of the detachment offices of the Ontario provincial police, which headquarters and detachments total no less than 186 offices. I have seen nothing in these buildings of eavesdropping or concealed microphone equipment, and I wish to state in this House that none exists.

With respect to the new building at Essex the plans for construction of this building were made about two years ago; this was prior to the time I took office. Today I have had a discussion with the commissioner, E. V. McNeill, who informed me some suggestions and proposals were made at the time the plans were drawn which, if carried out, would

permit the installation of microphones in the cells.

The plans call for cells to be removed some distance from the office, and where there is one officer only available for office duty, which would include in this duty operation of the radio, answering the telephone, and attending to inquiries, it was thought at that time such mechanical equipment might be of considerable assistance in the supervision of the prisoners. I might say that this plan was not discussed with my predecessor. No acoustic equipment has been purchased, and there is no intention at the present time to purchase it.

MR. A. J. CHILD (Wentworth): Mr. Speaker, before the orders of the day are called, I rise on a question of privilege to correct an impression that has been left by a newspaper article, and to answer a question asked of me in that article. The article appeared in Saturday's edition of the *Telegram* under the by-line of "Whipper Watson", with the headline of "Whipper Puts Headlock on Mr. Child."

I quote:

I met with Mr. Child the other evening when he attended the wrestling show at Maple Leaf Gardens, as a guest I understand, of promoter Frank Tunney. Mr. Child seemed a very intelligent and capable person. It seems a shame he should be wasting the government's valuable time telling someone else how to run this business when there are far more serious issues at stake throughout this rapidly growing province.

It seems to me, for example, there is much work to be done in this province to educate our children in the ways of traffic safety and cut down the terrible highway death toll. And isn't Mr. Child cognizant of the desperate need to steer forceful legislation through our Parliament to curb the sex maniacs who are making our streets unsafe for our children and our wives?

First, Mr. Speaker, although not too important, I was not the guest of Mr. Tunney, but rather my colleague, Mr. Root, and myself were the guests of the *Telegram*.

Secondly, regarding wasting the government's time, I believe it is the business of this government, or, for that matter, any government, to see that sportsmanship is carried out in a creditable manner, particularly when boxing and wrestling are under the jurisdiction of an office of the government, and especially when an elected representative's constituents bring the matter to his attention and ask to have something done about it. I sincerely hope that Mr. Watson does not suggest that I should ignore the very people who elected me.

Thirdly, with reference to the remarks about cutting down on the terrible death toll, may I say that my remarks and my interest in this matter are well known to all hon. members of the House, along with my recommendations for safety legislation.

Lastly, with reference to Mr. Watson's question: "Isn't Mr. Child cognizant of the desperate need for legislation to curb sex maniacs?", Mr. Speaker, it is not for the want of trying that I have not succeeded in having such legislation put through. I have had a number of discussions with the hon. Attorney-General on this matter, and I think, possibly, if only in a small way, I was responsible for having one sex criminal returned to jail after he succeeded in beating a number of sex charges in Hamilton.

I think I am also on record as proposing, and asking for, legislation to curb the sale of literature regarding sex crimes and gangster literature, and although I did not spell out the word "television" it would certainly include all media of learning which might have a detrimental effect on the education of our youth.

I will have more to say regarding the matter of the so-called sport of wrestling at another time.

MR. D. C. MacDONALD (York South): Before orders of the day are called, there is a situation which I would like to draw to the attention of the House, and I would like to ask one or two questions arising out of it.

For some weeks there has been a strike at the Northwest Farms and Forests Products Association, involving a group of truck owners and drivers in north-western Ontario who are trying to organize for collective bargaining purposes, chiefly with the Ontario-Minnesota Pulp and Paper Company Limited.

The legitimate objective of this group is being frustrated by the legal fiction that, being independent contractors, they cannot come under The Labour Relations Act, despite the fact that their relationship to the company and their conditions of work are much the same as those of regular employees.

But the efforts of this group to secure effective collective bargaining are also being frustrated by the provincial police, who are now greatly reinforced in that area. Since there has been no serious trouble so far, this police action can be construed as being, at least in part, strike breaking in intent. The situation is threatening to deteriorate. There have been arrests of strikers, some on a charge of violence, when the only violence involved was throwing snowballs.

I have 3 questions I would like to address to the government:

First, what reinforcements have the provincial police sent in, and what is their function?; secondly, what has the government done to assist in the settlement of this dispute?; and, thirdly, has the government given consideration to amending The Labour Relations Act so that persons like these truckers, who are not regular employees under the Act, may still be permitted the right of collective bargaining?

HON. C. DALEY (Minister of Labour): Mr. Speaker, I would presume that at least two of these questions are directed to my department.

These men are the owners of trucks individually, as I understand it. They have no organization. This is not, as I understand it, a strike in which an organized group of people have decided to cease operations all at one and the same time. They are individuals who have come together and decided that they did not want to work under the conditions and at the rates of pay under which they were being asked, so they stopped.

MR. MacDONALD: They have their organization.

HON. MR. DALEY: I believe that if these men wished to organize themselves into a group, and elect officers as bargaining representatives, it would improve their situation and ability to bargain with the employer. I do not know of any reason why they then could not come under The Labour Relations Act.

With regard to the next question, we have done practically nothing to settle this dispute, because whom are we going to go to? We have had no requests from anyone, neither the industry nor anyone representing these men.

I would advise them that if they wish some help, they should immediately let us know and I will send someone up there to see what can be done. But it is not an organized group. They have not indicated to us that they have properly elected officers to bargain for them; and so our hands are somewhat tied.

In regard to the question of the provincial police, I presume that the hon. Attorney-General would probably answer that better than I; but I can say this, that the police only go into these places, Mr. Speaker, on being requested by the municipality, or by someone, when it is felt that the question of preserving the law is beyond the ability of the local police.

I think that is about all I can usefully say on the matter. I do not know how many police there are, or anything like that.

MR. R. GISBORN (Wentworth East): Mr. Speaker, before orders of

the day, I would like to bring to the attention of this House and particularly the hon. Minister of Highways (Mr. Allan), an announcement in the *Hamilton Spectator* on Wednesday, February 13th, which I quote:

A toll of 25 cents will be charged to cross Burlington Sky Bridge. The \$16 million sky bridge across Burlington bridge strip, second largest of its type in the world, will be tolled on the date of opening, possibly in the late fall next year.

I would like to direct the attention of the hon. Minister to the question: Is this the decision of The Department of Highways, or has there been some report to the toll roads committee? I ask because, as I understand it, the report has not yet been published nor brought to the attention of the House.

I would like some explanation on that.

HON. MR. ALLAN: Mr. Speaker, I have not seen any report to the toll roads committee, and we have not discussed the matter referred to by the hon. member.

MR. GISBORN: I do not think that my question was answered. Is it the case that there will be a toll charge of 25 cents on each end of the bridge?

HON. MR. ALLAN: I suggest that, as the matter has never been discussed, I am not in a position to answer.

HON. LESLIE M. FROST (Prime Minister): I beg to table a copy of correspondence between the governments of Canada and Ontario respecting the Hungarian refugees.

The request for this, or the reason for this tabling, came from the federal government. It was asked that this correspondence be returned, and when hon. Mr. Pickersgill wired me, I told him I had no objection at all to tabling any correspondence. We exchanged telegrams, or communications relevant to the documents involved, and they have been tabled this afternoon.

Concerning the matter of a late session tonight, I would like to advise the House that there will be no session tonight, which ought to be satisfactory. The sensible solution to this matter is not to rush the Throne debate. The hon. Provincial Treasurer (Mr. Porter) will file the customary notices of the dates of the Budget on Thursday, and the debate can carry on in the ordinary course; we will not hurry the hon. members in relation to their speeches.

We are in this position, that it is desirable to introduce the Budget because of the municipal and educational estimates in the province. I do not think, in looking over the rules of the House, that there is anything that forces the introduction of the Budget at any time undesirable, provided it is done on notice.

It would seem that the satisfactory solution is not to hurry the Budget debate, but to allow the hon. members to speak, and I would propose, therefore, to go ahead in the ordinary course this week.

We have a very large volume of work facing us and it might be desirable to have a late session tomorrow night, or Wednesday night; but not with the idea of pressing hon. members to get through by a deadline on Wednesday afternoon or Wednesday evening.

THE MINING ACT

Hon. P. T. Kelly moves first reading of bill intituled, "An Act to amend The Mining Act."

Motion agreed to; first reading of the bill.

He said: this bill will be referred to the standing committee on mining and I will give a full detailed explanation to the House on the second reading of the bill.

MR. SPEAKER: Orders of the day.

ADDRESSES IN REPLY TO THE
SPEECH FROM THE THRONE

MR. H. E. BECKETT (York East): It is indeed a pleasure and a privilege for me to represent the old historic riding of York East, still the largest riding in Ontario in population.

When that distinguished statesman and gentleman, the hon. Mr. G. S. Henry, first represented this riding in 1913, it then included all the township of York, stretching from the Humber river on the west to Ontario county on the east, taking in the townships of Scarborough and Markham, the villages of Markham and Stouffville and the town of Leaside, for an area altogether at that time of 168,277 acres with a population of only 47,000 people.

During the early twenties, while I had the privilege of being a member of the Scarborough township council and York county council, we had a redistribution at that time, and the riding boundaries were changed to take in only those parts of the county of York east of Yonge Street and south of the town line between the townships of Whitchurch and Markham.

In 1922 North York township was created out of York township, and in 1923 East York township was created a township, both by special legislation.

There was no Forest Hill village or a village of Swansea until 1925 and 1923.

Today the riding of York East includes the township of East York, the town of Leaside and that part of the township of North York east of Yonge Street, having an area of only 23,000 acres, with a population of over 150,000 people.

This gives an idea, Mr. Speaker, of the growth of the riding of York East.

In 1913 the total assessment of that 168,000 acres was only \$28,152,000. Today the riding, as it is cut down, has an assessment of \$286 million. This rapid growth means much to this province and to Canada as a whole. A province or a nation, I feel, cannot be

great without people and industrial expansion.

With this great development comes the problem of providing the necessary services, including schools. These problems must be solved by the local governments. A great number of the hon. members here have sat on these local councils and they know the problems. The man on the street looks to his councillor when anything goes wrong with any of the services which supply his household needs.

This duty which is cast upon the municipal councils is paramount and must be maintained at all costs.

The standard of these services has increased, as also has the costs, so that today it is taxing the wits of those who have to administer them.

Where is the money to do all these things? Where are the sources of revenue? The average councillor says: "The province should make larger grants." But very few ever say: "Let us find out what the government of Canada should do about it."

First let me talk about the relationship between the province and the municipalities.

In 1839 the famous report of Lord Durham recommended the establishment of municipal institutions for the entire country, and by 1858 municipal institutions had taken on statutory rights, the Act being an Act respecting the municipal institutions of Upper Canada.

In 1859 it became Chapter 54 of the Canadian Statutes of Upper Canada, and that remained until the date of Confederation in 1867.

The term "municipal institutions" was intended to give expression to the state of affairs which existed in a defined populated area, the inhabitants of which are incorporated and entrusted with the privileges of total self-government responsible for the needs, health, safety, comfort and the orderly government of an organized community.

The province by statute created the municipalities, and the province, there-

fore, is able to confer on them any or every power which the province itself possesses under The Confederation Act.

Mr. Speaker, there are many statutes today giving various powers to the local municipalities, some of the important ones being The Municipal Act, The Assessment Act, The Local Improvement Act, The Ditches and Water Courses Act, The Public Health Act, and The Public Utilities Act.

These Acts authorize the municipalities to do certain things and to levy the costs either against the whole of the municipality or the parts which are benefited. The Act also restricts the amount of levy which may be made in any one year, with the result that the municipalities must look to other sources for revenue if they are to provide the services demanded today by the growing population. Naturally, the province has been the first place to go for assistance, with very little thought, up to this date, of going to the government of Canada.

This government has recognized the position of the municipalities and has been most generous in its grants, especially since 1943 when this government came into power.

I want to mention some figures for the province of Ontario. In 1943 the total taxes by the municipalities was \$110,561,000. In that same year, the provincial subsidies were \$19,697,000 or 17.82 per cent. of all municipal taxation.

In 1948 the total municipal taxation was \$149,324,000, amounting to 135.06 per cent. In that same year the municipal subsidy from the government was \$67,183,000, an increase of 341.08 per cent., and representing 44.9 per cent. of the municipal taxes.

Mr. Speaker, that increased down through the years, until in 1951 the total municipal taxes were \$226,033,000, an increase of 204.44 per cent., and the government subsidy has increased to \$99,198,000, for an increase of 503.62 per cent., and represented 43.89 per cent. of the municipal taxes.

Bringing it down to the last date that we have, in 1955 the total municipal

taxes were \$336,164,000, an increase of 305 per cent., and in 1955 the government subsidy was \$133,740,000, or an increase of 679 per cent. over 1943, and it represented in that year 39.79 per cent. of the municipal taxes.

Let hon. members look at the municipal debt: for 1943 the total gross debenture debt of the municipalities was \$281,463,000, or 9.19 per cent. of the total assessment. The population of the province in that year was 3,580,000, and the assessment was \$3,062,228,000. In 1949 the debenture debt dropped to \$278,166,000, and represented 6.99 per cent. of the taxable assessment. The population of the province increased to 4,083,000, an increase of 14.05 per cent., so that although the population had increased, the gross debenture debt decreased in the year.

In 1951 the gross debenture debt of the municipalities was \$437,577,000, 55 per cent. greater than in 1943, and yet the percentage of that debt to the assessment was only 9.92 compared with 9.19 in 1943. The main source of revenue is the municipalities, which must take care of the bulk of the cost of municipal services and education, and in regard to education the local council, as we all know, has no control over that.

In the year 1955 municipal taxation on real property and business assessment was over 85 per cent. of municipal revenues, and from a summary of assessment on which the 1952 taxes were levied in Ontario, in municipalities with a population of over 10,000, except Forest Hill, municipal taxation was derived as follows: 90 per cent. from real property, 10 per cent. from tax on business assessment.

By the same method it can be approximated today that the source of municipal property tax will be derived as follows: residential assessment 51 per cent.; professional and commercial assessment 25 per cent.; manufacturing and industrial assessment 11 per cent.; farm assessment 1.25 per cent.; other assessment 1.75 per cent.; the important illustration being that the assessment on residential real estate bears more than

double of any other source of municipal revenue in urban municipalities.

Each year there is a new demand on the province by the municipalities for larger grants, and I feel that the time has come for a determined study of the fiscal relations of the province and municipalities which will more or less fix taxes for future years. I would like to read from an editorial in the January 17th issue of *Country Life*, an English magazine:

Today local authorities in England and Wales are drawing nearly half their revenue from government grants, whereas in 1914 the proportion from this source was only 22 per cent. By some administrators, this trend is considered highly undesirable. On the principle that he who pays the piper calls the tune, grants from government sources usually have "strings" attached to them; they are conditional and being so, they restrict the freedom of the local authorities.

Lately a "study group" set up by the Royal Institute of public administration has been trying to discover what sources of revenue, additional to the present rating system, might be placed at the disposal of local authorities as alternatives to the income from government grants.

Public Service, the official journal of local government officers, has summarized the results of the enquiry. Suggested sources of revenue include:

- (1) Withdrawal of de-rating relief from industry and agriculture;
- (2) Imposition of a local income-tax at a maximum rate of 3d in the pound;
- (3) Power to levy (within certain limits) an entertainments tax which would replace the present entertainments duty; and
- (4) Retention by local authorities of the motor vehicle duties and driving licence fees they now collect.

It may well be that communities suffer by that fettering of their local authorities which results from the

contribution of the national exchequer to their revenues. It is natural that the councils should wish for liberation. But this freedom, unlike individual freedom, is hardly worth purchasing regardless of cost. A price which includes the establishment of a secondary income-tax system (to mention only one proposal) would, we think, be rejected flatly by nearly 100 per cent. of taxpayers.

I might say, Mr. Speaker, that I feel likewise, that income tax should rest with the two higher levels of government.

It would appear that this vital question of government grants to municipalities is a very troublesome one in other parts of the world.

The state of New York and the city of New York jointly appointed a committee to study and bring in a report dealing with the matter of the fiscal relations of the state and the city. That committee has just recently reported to both the state and city and I would recommend that copies be obtained, because it fits the situation in this country as well as in the United States.

I would suggest at this time that there should be a thorough study of our present system of municipal government which would include our present system of assessment and municipal taxation.

I contend that the tax levies by municipalities on land have reached their limit, and that immediate steps must be taken to bring about some relief. This might be done by:

- (1) Reducing the cost of municipal administration;
- (2) Giving to the municipality on a local option basis the right to levy a sales tax and a compensating use tax.
- (3) Assessment of all real property for municipal purposes or services such as is given to the municipalities by section 388 (1), clause 86, of The Municipal Act where garbage disposal must be charged to all real estate.

In dealing with No. 1, the cost of municipal administration, may I say the

problem of reducing this cost is really the responsibility of the local municipal councils and could be done, I think, by an amalgamation of departments and joint administration of certain services, such as garbage disposal, sewage disposal and water works.

The second, sales tax, is one that has caused a lot of controversy, but I do want to give hon. members some figures which I feel justify serious study of this matter. In the state of New York a retail sales tax is allowed to be imposed by counties, and for Erie county, which includes the city of Buffalo, this tax is earmarked for educational purposes only. The revenues collected are exclusively used for public education and are distributed by the county treasurer to the several school districts in the county. That tax of one per cent. is charged on all retail sales with some exemptions such as food, food products, water, drugs, newspapers and cigarettes.

In 1953 that tax realized \$8,855,000; in 1954, \$9,114,000; in 1955, \$9,875,000. The net proceeds of this sales tax are disbursed to the various school districts in the county of Erie on the average pupil daily attendance for the previous school year. My contention is that our present tax on gasoline, for instance, is a sales tax on the sale of gasoline, the proceeds should be used for road construction and maintenance.

A similar tax could be imposed by counties — and metropolitan Toronto could be considered a county — and the money be used for educational purposes.

The city of New York, with an approximate population of 8 million people, has a sales tax of 3 per cent., and that yields approximately \$240 million a year. On this basis the municipality of metropolitan Toronto could raise about \$45 million a year, and this would go a long way, I contend, towards relieving the land tax for school purposes.

Some cities in the state of California have a sales tax as high as 4 per cent., but until a study is made no one would know what would be a proper levy.

New York city has another tax that has been mentioned before, and that is a tax on hotel rooms of 5 per cent., and last year that netted New York city some \$6 million revenue.

The third suggestion, the assessment of all properties for municipal services, I feel is an important one, and would be fair treatment for every householder and every corporation. The cost of police administration should be spread over all properties, because police protection is there for anyone, not only those exempt, but for those who do pay the rates. Cost of the fire department should likewise be levied on all property; it is for the benefit of all and does not fight fires for only those who pay it, but also for those who do not pay.

Similarly, The Department of Health costs should also be levied against all properties. The good health of anyone in the municipality benefits all. Similarly, regarding roads and all other services: why should not everyone pay his fair share—and those services not to include education.

There are some other sources of revenue which municipalities might take advantage of: for instance, they could have an overnight parking fee; they could have a sewer rate the same as for water. The person who uses more water should pay more for the use of sewers, and the sewer tax could become part of the water bill and be based on the amount of water used. That is what is being done in the city of Buffalo.

Mr. Speaker, many taxpayers are complaining bitterly about heavy taxation by all levels of government, and they keep asking, "What is being done about it?"

There is one that I might mention and that is our present income tax. If a person owns a corporation and also owns real estate, he is entitled to deduct his municipal taxes, the interest on his mortgage, and his carrying charges on that property. But a private individual must pay income tax on his municipal taxes; therefore he is paying double tax, and I contend that

the home owners and private individuals should receive the same benefit as corporation owners.

It has often been suggested that every one should incorporate himself as a limited company, and by that move would save considerably in the way of taxes.

A very comprehensive study of the statutes and the relationships existing between all 3 levels of government should call a halt to constant fiscal bickering, and do much to bring about a better partnership which would review and adjust statutes and administrative practices, as well as governmental attitudes. The taxpayer is bewildered, and is looking to his governments for guidance and assistance. I feel the province should assume the responsibility of leadership in developing a new system of governmental relations, that the new system be built around a concept of interdependence and decentralization.

Mr. Speaker, I would like to speak on taxation in a somewhat lighter vein.

The situation here with regard to taxes is getting so serious that people have to resort to a good many things in order to make ends meet. This reminds me of a chap who replied to a demand for taxes from the Income Tax Department at Ottawa, and he wrote as follows. If I may be permitted, I would like to read his letter:

In reply to your request to send a cheque, I wish to inform you that the present conditions of my bank account makes it almost impossible. My shattered financial condition is due to federal laws, state laws, county laws, city laws, corporation laws, liquor laws, mothers-in-law, brothers-in-law, sisters-in-law and outlaws.

I am also required to contribute to every society and organization which the genius of man is capable of bringing to life; to women's relief, the unemployed relief, and the gold diggers' relief.

Through these laws I am compelled to pay a business tax, amusement tax, head tax, light tax, school tax, gas tax, carpet tax, sales tax, liquor tax, income tax, food tax, furniture tax and excise tax.

For my own safety I am required to carry life insurance, property insurance, liability insurance, burglar insurance, accident insurance, business insurance, earthquake insurance, tornado insurance, unemployment insurance, old age and fire insurance. My business is so governed that it is no easy matter for me to find out who owns it. I am inspected, suspected, disrespected, rejected, dejected, examined, re-examined, informed, required, summoned, fined, commanded, and compelled until I provide an inexhaustible supply of money for every known need of the human race.

Simply because I refuse to donate to something or other I am boycotted, talked about, lied about, held up, held down, and robbed until I am almost ruined.

I can tell you honestly that except for the miracle that happened I could not enclose this cheque. The wolf that comes to many doors nowadays just had pups in my kitchen. I sold them and here is the money.

MR. H. C. NIXON (Brant): Mr. Speaker, although somewhat late in the session, I would like to extend to you my warm personal regards and felicitations and say how happy I am to see you discharging your duties in such a satisfactory manner as, of course, hon. members all expected when we elected you to your present proud position.

I am rather happy to be back here myself, taking some little part in the deliberations of this assembly. I recall with pleasure and interest an occasion when all hon. members got together last session at a banquet at which our host chose to honour me; I was a senior statesman of the assembly.

Those of us who came in here in 1937 and before, were given special attention;

chairs were provided at the head table for this select group. And if I remember rightly, it took only about 10 chairs to accommodate us all.

This incident illustrates very forcibly the road of attrition or erosion, whether it is that hon. members wear out that affects the membership of this House. Those of us who are privileged to stay here a number of years must feel very deeply indeed that whatever it is that catches up to others, whether it is the law of averages or the "grim reaper", or simple attrition or erosion, has not yet caught up to us and for that reason possibly we should enjoy ourselves because even for us it may be later than we think.

I somehow or other have the feeling that, before another 40 years elapses, someone else might be representing the grand old riding of Brant in this Legislature, which is of course a very saddening thought indeed.

May I also mention how great an improvement I think the system is that has been installed in this Legislature. The hon. Prime Minister made some reference on opening day about this being the first attempt to meet this requirement, but I have a very clear recollection that back in 1926, in the days of the hon. G. Howard Ferguson government, that it was also attempted. However, there has certainly been much improvement in the public address system invention since those days. At that time, it was optional whether or not an hon. member make use of it, and those who felt they were equipped with ample lung power immediately swept it aside. Therefore, if an hon. member used it, he was more or less admitting that he was lacking in that capacity. Then, the distortion that affected the system was so very bad, at unexpected intervals, that one would think sometimes with the wails through the rafters that there were a number of ghosts pursuing each other up there. By the next session, the public address system had disappeared. This one is certainly a very great improvement.

I would like to congratulate the mover and the seconder of the speech from the Throne; they certainly discharged their responsibilities in a manner which reflected credit to themselves. As someone has remarked, this is indeed an honour, an honour that has never come to me, although I have been in this House for quite some years. Neither, as I recall it, has the hon. member for Peel (Mr. Kennedy), who entered the House in the same year as myself, 1919, had the honour of moving or seconding the address.

HON. MR. FROST: How would the hon. member like to do it next year?

MR. NIXON: The hon. Prime Minister took the words right out of my mouth, I was going to suggest to the hon. Prime Minister that next year, before it is too late, instead of asking his newest hon. member to move or second the address, why not ask the oldest one, the hon. member for Peel? I know my suggestions are always listened to with the greatest attentiveness and that is one. And then after the next election, I will ask the hon. Leader of the Opposition (Mr. Oliver) to let me move the address.

I would like to congratulate the hon. member for York West (Mr. Rowntree) on his election to the House. The hon. member made some reference to some former members from that fine historic constituency, but while I agree entirely with what he said, it seemed to be only the Conservative members that he could recall. I would like to mention one or two other members who served in this House with great distinction from that particular riding.

I would like first to mention Mr. William Gardhouse, who came into this Legislature in 1934. Mr. Gardhouse was a member of a fine old agricultural family of this province, who, with his father, did a great deal to improve the beef breed, and thus made a lasting contribution to the agricultural development of the province.

Somewhat later, in this Legislature, we had Mr. Charles Millard, and I sat beside him with just a narrow aisle between us for some years. I was very much impressed with his ability; he was a very able gentleman, and a very able hon. member indeed. Mr. Millard is now serving his cause in Belgium at considerable personal sacrifice in income, and is a director of the International Confederation of Free Trade Unions. I know we all hope that he will continue to do splendid work in his new job, and we are the poorer for his having left our community.

I would also like to mention particularly the hon. member for Port Arthur (Mr. Wardrope). In moving the address, he paid tribute to several former civil servants of the province, and in this also I concur and would just like to take the opportunity of mentioning one or two others. In the first place, I would mention Mr. John Carroll, who was assistant to the Deputy Minister of Agriculture. I have known him very intimately for nearly 50 years; we started together at the Ontario Agricultural College in 1909, and I have followed his career with much interest. He served his country with great distinction in World War I, attaining, I believe, the rank of colonel. He started in the public service as an assistant in The Department of Agriculture, and he served in many capacities and has finally retired in the capacity of assistant to the deputy.

I want to pay a tribute to his long, faithful service in this province and trust that he will enjoy his new work in the financial field in which he has entered in the town of Brampton.

Mr. Speaker, if I may say so, without appearing to take sides in any bitter controversy as existed last session, I would like to bring to your attention the services of another civil servant in this province, in the person of G. Hedley Basher. Mr. Basher and myself entered the service at almost the same time, in 1919. As a matter of fact, Mr. Basher came in September,

and I came in October. He was governor of the Don and Langstaff jails and I was Provincial Secretary in charge of those institutions. He has served this province ably up to the present time, and is still in service, having served under 10 different governments and Prime Ministers, 3 different parties, and probably 15 or 16 Ministers, and served them loyally, ably and efficiently under all circumstances. He served his country with great distinction in two wars and I think has done a good job in a very difficult department.

Having administered that department for 13 years, in regard to penal affairs I have some little knowledge of the trials, and difficulties which must go with that particular administrative department. It is dealing with human beings, Mr. Speaker, who are held in custody and restraint and, naturally, the human reaction is difficult to deal with under those circumstances. I have always felt that the name "reform institutions" is a misnomer and, I doubt very much, in fact I am sure, that an institution never reformed anybody. If a reform does come about it must come from within.

It is true that much can be done to provide the very possible conditions, to encourage and recognize the dignity of the individual, to have ideal conditions for rehabilitation, but to me that word reform is synonymous with the word rebirth as we read it in the Bible. Far be it from me to argue theology with my hon. friend from Windsor or the hon. Minister of Reform Institutions but I very much doubt if this miraculous power of reform was ever delegated to human agency.

HON. MR. FROST: How about the "reform bill?"

MR. NIXON: We are not just reforming in that way—the word in that case might be well used. Even at that I have always preferred the word "liberal."

In any case, I will admit, if and when the finger is put upon me to again

assume the responsibility of administering The Department of Reform Institutions, as it is called today—we used to call it “The Provincial Secretary’s Department”—I would be happy to find my good friend and able administrator, Mr. Basher, still there to help me with a difficult problem.

I would like again this afternoon, if hon. members are not too tired of hearing me on this subject, to speak for a few minutes about the Indians. It seems to be a matter of considerable public interest and discussion today, judging from the headlines in the papers, and it is a subject that has always been very near to my heart and very much on my conscience. I do feel that our Indian people are not participating in and enjoying the prosperity and the progress that the rest of the country is enjoying, and I would certainly like to see progress being made more rapidly than it is.

On most Indian reserves, hon. members must admit the living is under subnormal conditions, to put it very mildly indeed. And, the Indians are certainly being pushed around in many respects in a manner that none of the rest of us would tolerate for a moment. Just last week a situation occurred in which the validity of the marriage of a young woman was challenged by The Department of Indian Affairs after her husband had been killed in an accident and she was left with a daughter a few days old. Hon members could not imagine anything like that happening in any other ethnic group in this province.

And while this Legislature has undertaken to legislate, and regulate with respect to marriages among the Indians, I think we have now, and the government now has some responsibility in the clearing up of this unfortunate situation, because it certainly still exists that marriages are being performed where the person conducting the ceremony has not been licenced or registered with the province, and no registration is made of the wedding with the hon. Provincial Secretary, as required. It will certainly be an unfortunate thing indeed if these weddings are to continue and to be open to challenge from any source.

I would like to mention, again, a subject I have brought up before with respect to the Indians, and that is the education of the Indian children. I thought that we were making some progress in this matter last session, and had hoped that there would have been progress to report. The responsibility for education rests, in the ordinary sense, with the province, and we have now over 1.1 million children being educated under the school laws of this province and the administration of our Department of Education.

In this province we have some 6,000 or 7,000 Indian children and for the most part they are conducted under The Department of Indian Affairs, under the regulations of the Dominion government. Through the years some arrangements have been made by which, possibly, 2,000 of these Indian children have been taken over by our local school boards and are now being educated in exactly the same way as the rest of the children of the province. But there are still some 4,000 Indian children being educated in Indian schools, and it does seem to me it is an unnecessary and most undesirable duplication of services as between the federal and the provincial governments and that these services could very well, indeed, be taken over by our Department of Education and that Indian schools, as such, should cease to exist.

May I just recall for hon. members what happened last session. I brought up this matter on the estimates and then the hon. Minister of Education (Mr. Dunlop) said, at page 1040 of last year’s *Hansard*:

I am usually in agreement with the hon. member for Brant, and I can assure him that if the federal department assumes the cost of that education, we would be delighted to take the Indian children over tomorrow.

That was brought to the attention of the federal House by my friend the hon. Mr. Brown, member for the city of Brantford. He said:

I would like to address a question to the hon. Minister of Citizenship and

Immigration. Would the hon. Minister care to comment on a question raised in the Ontario Legislature regarding the education of Indians being assumed by the province.

And the hon. Minister, Mr. Pickersgill, said:

I noticed the report that a question had been asked, or raised in the Ontario Legislature by the hon. Mr. Nixon, and the reply by the hon. Minister of Education. The implication of the reply was that Ontario might be prepared to take over the education of the Indians in that province on the basis of reimbursement by the federal authorities.

Because that is, precisely, in line with the policy we have been working toward in the Indian Affairs Branch for some considerable time, I did get the authority of my colleague today to send the following telegram to the hon. Minister of Education of Ontario and, perhaps, I might be permitted to read it. The telegram, which I have previously read in this House, was to the effect I have seen the report, or statement you made in the Legislature—

This telegram is addressed to the hon. Mr. Dunlop, Minister of Education, and it is from hon. Mr. Pickersgill:

— to the effect that the provincial government would be ready to assume responsibility for the education of Indians on the basis of reimbursement by the federal government. "I am authorized by my colleagues to communicate with you with the view of discussing this suggestion at an early date. Could you let me know if you would be prepared to discuss it —

and so on.

Mr. Speaker, I could not imagine discussions being started on a more auspicious basis than those presented at the time, and I followed with a good deal of interest, or searched with interest, for some report of progress

from the discussions which I knew did ensue. But, as yet, I have not heard any report of the progress that has been made, and I wonder if the hon. Minister of Education has anything to tell the House with respect to this matter which he would care to say at the present time.

HON. W. J. DUNLOP (Minister of Education): Mr. Speaker, we are still willing to do exactly as has been quoted. We are willing to take over the education of Indian children on that basis, at any time. We already have the best system possible, I think, in Orillia and in Sarnia where the Indian children are in the public school along with other children and there is no difference, no discrimination, and pupils are working together very nicely.

The difficulty seems to be that we are stymied, in some way or other, regarding the taking in and taking over of the schools on the Indian reserves. Officials of The Department of Citizenship and Immigration at Ottawa, and officials of The Department of Education of Ontario, have been discussing this but so far we are at a dead end, as I have explained to the hon. member for Brant. However, I am just as anxious as he is that we get this done and I think there is no hesitation on our part and no reason for holding back if the department at Ottawa will co-operate on the terms we have suggested.

MR. NIXON: Mr. Speaker, I had hoped that progress might have been much greater than the hon. Minister has indicated. I feel very strongly that, if we are ever going to make any progress in this matter, the point at which to start is in the education of the children. I noticed recently a statement by a former official of the department in Saskatchewan. Speaking at Yorkton, Mr. John Davis of Kamsack, the former superintendent of Indian agents, informed a service club meeting about the difficulty of the Indian assimilating with whites, when for the first 16 years of his life he is segregated, congregated, and fenced in. And Mr. Davis made the

rather startling statement that — of course, I do not agree with him — it would be a godsend if every school on every Indian reservation burned to the ground.

I do not think that is the solution of the problem at all, but I do think the education of Indians involves an unnecessary duplication of services. It would be infinitely better for the Indian children if Indian schools, as such, ceased to exist and that such schools, as all others, were incorporated under the administration of The Department of Education in this province.

The last time I talked about Indians the hon. member for Woodbine (Mr. Fishleigh) said: "Why don't you say something about the great athletes, particularly Tom Longboat?" He told me he used to know him in the old days when he delivered bread from Hagersville, and I certainly knew him in the old days too. It was just 50 years ago that Tom Longboat accomplished his great successes in winning races at Hamilton, Toronto and Boston, and represented Canada at the Olympics in England in 1908.

We have had very many brilliant individuals developed on the reserve of the Six Nations in Brant county, in my riding. I have previously brought these to the attention of the House, and there is every reason why the province should be proud of the people who have been developed in various lines on that great reserve as well as on other reserves of the province.

There has been a series of very fine articles and editorials appearing in the *Toronto Globe and Mail*; these are pertinent and well-informed, and I would like to read a paragraph from a recent one:

The county of Brant, for instance, can and does point with pride to the individual achievements of our Indian friends and neighbours. At the risk of naming names, considerable success was achieved by Brigadier O. M. Martin, a Mohawk, not only as a soldier but also as a schoolmaster and

now a magistrate. Take the case of Dr. G. C. Montour, OBE, another Mohawk who became chief of the Mineral Resources Division of The Department of Mines and Technical Surveys at Ottawa; Mrs. C. E. Montour, a Mohawk researcher, author and lecturer; Mr. Arthur Moses, ATCM, a well known and accomplished violinist—

He is a son, by the way, of the chairman of the advisory Indian committee to this government.

—Dr. Thomas Jamieson, of Cayuga, a graduate of McMaster University and the University of Toronto, made his name in medical practice in Michigan. Dr. F. A. Johnston of Tuscarora, a graduate of McGill, rose to high rank in the United States army medical services.

The opportunities they found and so well utilized south of the border leave no implication that we are not proud of them here, or that there was or ever will be any unjust discrimination against them or any of their race.

I would also like to mention a minister of the United Church, Rev. E. T. Montour, educated at Hagersville high school and McGill University in Arts and Theology, where he won the Neil Stewart scholarship for efficiency in the Hebrew language.

This list indicates that we have undoubted capabilities inherent in our Indian people and they are deserving of every opportunity which is in the power of this province to extend to them, and undoubtedly great rewards will come from their education and integration.

It seems to me, Mr. Speaker, to be an opportune time to recognize their achievements in this way:

Because it is 50 years since Tom Longboat won such great fame and brought great credit to our province, we might erect a suitable cairn and plaque to commemorate his accomplishments. In this connection, I notice in the speech from the Throne that the

government is now carrying on a policy of recognition of historical sites and accomplishments by providing plaques. Perhaps the hon. Minister in charge might take up this matter and see that a cairn and a plaque are provided at the council house ground at Ohsweken on the Six Nations reserve on the Grand River, and in this way commemorate suitably the accomplishments not only of this famous athlete but indirectly of other Indians who have made such a contribution.

I would like to make a few remarks on agriculture, and whether or not I am qualified to discuss this subject may be questionable. However, I have devoted my life largely to the business of farming, as did my forefathers before me. Since 1784 we have been farming in the province of Ontario, for two generations in the riding of the hon. member for Lincoln (Mr. Daley), at Grimsby, and I think there will be still found a large house two miles west of Grimsby that is called "Nixon Hall." Why my ancestors ever left such a beautiful part of the province they never divulged to me, but I suppose the families were so large that somebody had to get out. In any case, my own grandfather came to Brant in 1839 and for 4 generations we have been carrying on farming operations in that county. So we are not exactly transients, as someone has said the agricultural population is now becoming.

I have no regrets whatever for having entered into this occupation from choice, not from necessity, and certainly it has been a good one. It has treated me and my people well, and I do not propose to cry on the shoulders of the hon. members this afternoon, or to make a "poor mouth" about the condition that agriculture is in.

Those of us who farmed during the difficult days of 1930-1934, when we had a Conservative government at Ottawa as well as one here in Ontario, suffered such difficulties that almost any conditions would have to be an improvement over those days; so that

by comparison maybe I feel that they are better than they actually are.

However, I am very proud of farming and the farming people. My riding, it is true, is very exceptional. It, of all the ridings in Ontario, has shown such good judgment as to send the same hon. member back to this Legislature for 38 years, so why should I not be proud of it?

We have a very diversified agriculture that I doubt could be equalled in any other part of the province. I am not going to take time this afternoon to name all the branches of agricultural activities that exist in that riding, which not only includes the county of Brant but also 3 municipalities in Norfolk and the very fine township of Blenheim in Oxford county. Suffice it to say that we have there some of the best dairy herds of all dairy breeds—to be found in America or anywhere in the civilized world. Stock from those herds has gone far and wide throughout the world, some of them by aeroplane to Italy and other parts of the eastern hemisphere, and are the basic herds in those foreign countries. One of our outstanding breeders is now in Cuba showing cattle at a large exhibition for which he provided the basic animals from which the herd is built.

Then, in some 4 or 5 other municipalities, there is the business of growing flue-cured tobacco, which has been developed to a state of perfection such as will be found in few places in Canada. I do not know too much about this, as I have never actually been engaged in that type of farming. The hon. member for Elgin (Mr. Thomas) could undoubtedly tell the hon. members much more. Still, judging from the way in which the tobacco growers live, the wages they are prepared to pay for labour, and the price they are prepared to pay for their land, they are not doing too badly.

Then we have many cash crop farmers, myself among them, who grow canning factory crops, I think profitably to ourselves, as we have 4

canneries—one at Brantford, Beamsville, Simcoe and Otterville — which provide ready marketing. We are in a very favourable position, because of our proximity to these good markets, for carrying on the agricultural profession, possibly more successfully than might exist in other places.

We are also on the great milk shed from which the whole milk is drawn for the cities of Toronto, Hamilton, Brantford, Galt, London and so on, and that branch of the dairy industry is possibly paying better returns than any other.

However, Mr. Speaker, it is the general farmer throughout the province to which the hon. members of this House must give attention. I do not know that it profits anything, nor does it give much indication of general conditions, to single out individuals; nevertheless I listened with a good deal of interest to the hon. member for Muskoka (Mr. Boyer) during his fine speech last Friday, telling of the individual farmers in his riding who had won distinction in various fields.

One might as well ask any garage mechanic, for instance, why he is not a Chrysler or a Henry Ford; he might as well ask any grocer why he is not a Timothy Eaton or a T. P. Loblaw; or, one might as well ask an hon. member of this House why he is not an hon. Leslie Frost. There just does not seem to be room at the top for everybody on the highest rung, and it is to the little fellow—us little fellows, that providence must have linked because so many of us were created—that we should give our attention and be of assistance if at all possible.

Certainly there is much than can be done in agriculture and much that needs to be done. I do not know that there is so much wrong with it that a little more money would not help, but that, of course, might apply to other callings as well; I have sometimes thought, Mr. Speaker, even in your calling.

In the amendment which the leader of my party has suggested, we point out

that there is much room for further research along agricultural lines, also that the spread between what the farmer receives and what the consumer pays in many instances is much too wide, and a much larger percentage of the consumer's dollar should go to the producer than he at present receives.

I want also to add to this, that the province is possibly not doing as much as it could proportionately in a financial way for this great industry. Last year the hon. Provincial Treasurer (Mr. Porter) presented a rather graphic description of the manner in which the expenditures were allotted as a "pie cut in different sections", and the section allotted to agriculture was very small indeed, so small that I could hardly find it. It represented 2 per cent. of the total expenditures, and in the lengthy speech from the Throne which we have before us for consideration, a very small proportion of that speech—I think just one short paragraph—was allotted to agriculture.

I hope that under the new hon. Minister of Agriculture (Mr. Goodfellow) this challenge may be met in a big way and that something really worthwhile will be done for this great industry.

The hon. member for Essex South (Mr. Murdoch) spoke of expenditures some years ago by this government to encourage quality production. At that time he listed some millions of dollars that had been spent in the first two or three years of the Conservative government.

As a matter of fact, that was simply a hold-over from the previous administration, which had sought to encourage, in the depressed days of the thirties, the agricultural industry by providing very substantial subsidies for quality production. There was a subsidy for grade A hogs, for first quality cheese, and for outstanding quality in several other products, and I commend to the hon. Minister that he should give consideration to this former experience of the department.

In doing so, certain branches were made profitable, because we never have

any difficulty in selling products of high quality. When those branches are made profitable, automatically other branches pick up proportionately.

I would like to see the department resume the encouragement of agriculture by providing subsidies for high quality products, and which particular products they are to be may be determined by the committee which the hon. Minister has suggested might be set up to consist of public servants and outstanding agriculturists of the province. When the committee decides that one particular line of production needs a "shot in the arm", a subsidy could be provided for top quality production in that particular line, and I am sure that the benefit would be very apparent and would greatly assist agriculture through the difficult days through which it is passing.

The hon. member has rightly said that agriculture is at the crossroads, and I sincerely hope that the turn is to be in the most prosperous direction. I am not so greatly concerned about the proportionate falling off of the numbers engaged in agriculture as compared to the rest of the population, in fact in that I see hope for the improvement in agriculture, because we are now providing enough home markets to consume our agricultural production, and depending to a limited extent, and less and less every year, on export markets.

We have come through the day when our prices were largely determined by the exportable surplus, and that is no longer the situation. Possibly we might now be "cured by some of the hair of the dog that bit us" in the old days, because for 80 years we had to sell our products in an open and unprotected market, whereas everything we bought was very highly protected indeed.

It seems to me the time has now come when agriculture, particularly the dairy industry in all its aspects, would be very greatly improved if certain regulations were effected. Certainly it cannot be done here but this is a good forum in which to express this thought, that countries which have quite different con-

ditions of production than we have here, where their cattle are pasturing the year round—that is, we in Ontario have practically what amounts to 8 months of winter feeding—these countries should not be permitted to accumulate a surplus of a great bulk of cheese or butter and dump it on our shore and disrupt our economy, as was so often done in the past. Export-import regulations should be in effect requiring a licence before such products can be landed.

Also, the very meagre protection that is given to our cheese, butter and powdered milk was placed on these products many years ago when their value was only a fraction of what it is today, and I think consideration might be given to broadening that protection under the present circumstances.

The government has received briefs from the various farming organizations, which briefs I have read carefully, as I am sure they have too, and it has been suggested there that the revenue to agriculture in 1956, in the first half of that year, was nearly \$9 million less than it was in the previous year. We did have a very disastrous year on the farm because of the continued wet and cold weather. The hon. member for Peel predicted that the farmers would lose over \$40 million because of adverse weather conditions, and under those circumstances it is difficult to see how a scheme would work out by which farmers would be guaranteed a profit on their operations, although to some extent it has possibly been done in other countries. However, I cannot see that we could carry that out under the conditions under which we farm here in Canada.

Many suggestions have been made—I commend to the government this brief from the Federation of Agriculture.

One which they mention, Junior Farmers' Loans, I would like to comment upon briefly, because I have previously brought this matter up in the House. I still think those in authority are unnecessarily cautious and too tough in the consideration of these applications for loans from junior farmers. It is true quite a large sum of money has been

paid on farm mortgages under this scheme, but in many cases it did not mean that a junior farmer was in the farming business, who would not have been had it not been for this loan.

The rate of interest, of course, is quite attractive, and many are quite anxious to receive the government money and have it hold their mortgage. I do not think that was the idea in the minds of this Legislature when that legislation was enacted, and I would like to see more genuine junior farmers assisted in becoming established in the farming business because of this loan—not simply that some may get cheap money to remodel their buildings and bring their farms into up-to-date condition or provide a different mortgagee from the one they have at 6 or 7 per cent.

I have no complaints about that at all, but I do say that in the past—and I hope there may be an improvement under the new management—it has been shown that much more can be done to assist the bona fide and deserving junior farmers to obtain help under this loan.

I would like to give the hon. members one example, and I know this could be repeated in many instances, of a young farmer who certainly had the “know-how” to carry on his farming business. He had rented a farm which the owner was most anxious to sell to him, and he had 16 head of beef cattle, 61 pigs, 400 poultry and so on, and a full line of implements. The farm was very familiar to him; he had lived beside it all his life, and his parents and grandparents had farmed successfully in the neighbourhood for 100 years, and yet this was the final reply that he received from the board:

We regret to inform you that your application for a loan has been rejected. We are of the opinion that you have insufficient capital to operate this farm to advantage.

This young man certainly knew that he had insufficient capital; they did not have to tell him that. I feel certain, if I had had the money, I would have been

most happy to have taken a chance on him, because I think he was an ideal risk. He was happily married with a young family; he was living in with the old folks, which is always undesirable, although one seems to be able to do that in the cities; but it certainly does not work out so well in the rural districts.

To the new hon. Minister, I would say that, if he can at all possibly do so, soften up that board a little, and see that they give more consideration to these deserving applications.

Mr. Speaker, I have far exceeded the time the hon. Prime Minister suggested—

HON. MR. FROST: Mr. Speaker, I suggest the hon. member should continue; he is making a very fine speech. Might I ask the hon. member this, because he has had a lot of experience in this: I remember there was one, when his party was in office, that was discontinued. What was the basis of that one?

MR. WHICHER: This is the loaded question.

MR. NIXON: Is the hon. Prime Minister referring to The Agricultural Development Act?

HON. MR. FROST: That is it.

MR. NIXON: Mr. Speaker, that was a very successful activity, I may say to the hon. Prime Minister. There were over the years some losses, I will admit, but I will say this government and other governments have spent much more money for less than the province of Ontario received out of The Agricultural Development Act. The time came when the federal government stepped into that field, and I do not know whether or not that was the determining factor, but it has never been re-opened, because the two governments should not be in opposition in making exactly the same type of loan.

I certainly know of many instances, personally, where the loan was the sal-

vation of a good many farmers in this province in the very difficult days in which it was administered. There were some losses when the government of that day and Ottawa provided for the arbitrary writing down of mortgages, when the mortgagor could not meet his payments, rather than cause him to lose his lands in the depression. We took no exception whatever to that, and I do not think the hon. members would either, but I have no apologies to make for The Agricultural Development Loan, and it certainly saved many a farmer who would otherwise have lost his lands.

The hon. Provincial Treasurer, we are told, in the very near future is going to bring down the budget, and I will reserve the comments which I had in mind to make—

HON. MR. PORTER: I was hoping I would get some friendly advice.

MR. NIXON: — until I see what the hon. Provincial Treasurer produces to the House. I watched his predecessor through many years bring down his annual budget and say, "Here we have another with a balanced budget and a surplus and no increase in taxation." However, he seems to be rather doubtful of it, and maybe some of those surpluses are not as genuine as he would have liked the House to believe at the time.

In my humble capacity as financial critic, I tried to impress upon him the danger of permitting the net debt to increase year after year, as he did, against which there are no corresponding assets that will retire that debt automatically. Certainly this wealthy province, had he cared to acquire that money, could easily have paid into the treasury sufficient sums to see at least there was no increase in the net debt.

Every province now, one after the other, is announcing that the net debt is entirely paid off, and that it is in the clear.

It seems to me that the hon. Provincial Treasurer has been handed something like a "hot potato", and that his term in office is not going to be as happy as that

of his predecessor, and that he may be an hon. Provincial Treasurer of debts and of budgets that are not balanced, and that he is going to be the one who is required to go out looking for new money.

However, I wish the hon. Provincial Treasurer well in his experience in that important department, and we will watch with interest what he brings forward and puts before us in the near future.

MR. H. J. PRICE (St. David): Mr. Speaker, in rising to take part in this debate today, I would like to refer to the fine esteem in which you are held by this House and by myself for the excellent manner and order which you maintain here; and especially for your impartiality. I think you have created an atmosphere that could well be emulated in other assemblies of this land. I know your deputy will follow your good example and endeavour to achieve a similar reputation for himself. To you both, I offer my sincere congratulations.

The House was saddened during the recess by the passing of two of our hon. members, "Tom" Patrick for Middlesex North and Elmer Brandon for York West. They were both outstanding public servants, and their loss will not only be felt by their friends and families, but also by their many friends in this House.

I would like also to pay tribute to the hon. members for Port Arthur (Mr. Wardrope) and York West (Mr. Rowntree) for the fine addresses given on the motion to adopt the speech from the Throne. I thought they were of particular interest, and especially the address from the hon. member for York West who was addressing this House for the first time. We have heard on many occasions from the hon. member for Port Arthur, and we were more aware of his oratorical ability. I would like to say they were a great credit to the House and to the people they represent.

I do not think, Mr. Speaker, it is necessary for us to be disagreeable in

this House, although we may disagree on many points, and this is something that occurred to me while reflecting on the excellent manner in which you presided over our affairs. I hope that during this present session and during the sessions to follow, it will be unnecessary for you to invoke your powers of naming any hon. member of the House, or the other device which apparently exists and about which I had not been aware, of giving them the "blind eye." I do not think from the demonstrations and examples we have seen here to date, that it will be necessary.

I would like to say at the outset how much I appreciate the attention which the various hon. Ministers and their deputies have given to any matters that I have had to bring to their attention. I mentioned last year that we had every reason to be proud of our civil service in this province, and I would not want to let the opportunity pass without again paying tribute to them.

In my remarks this afternoon, I intend to touch briefly on matters concerning health, education, fiscal arrangements, housing and matters of more general interest to metropolitan Toronto and the province as a whole. I will endeavour to keep in mind the words of the hon. Prime Minister when he referred to Col. Fraser Hunter, a former member of this House and a very good friend of mine, because anyone who knows Col. Hunter knows that he is a master of conversation and oratory. I can assure any hon. member of this House who does not know him that his 20-minute speeches were indeed effective.

On speaking about health, it appears to me that in the quick transition from the aspirin era of the twenties to the atomic age of the forties we were faced with many problems that a few short years ago would have seemed incomprehensible.

One of the problems foreseen in the immediate years after the war was the overcrowding of our hospitals. We realized that the accumulated savings and the unprecedented demand for our

hospital services would cause our hospitals to be overcrowded; but we are now in a position to take care of all normal demands. We cannot rely on government alone to provide these hospitals. I should like to point out to the hon. members that had it not been for the wonderful response on the part of the public and various estates, foundations and endowments, we would not have this wonderful hospital system that we enjoy today in the province of Ontario.

If we had done nothing else but set up the Ontario Hospital Services Commission, we would have gone a long way in providing for the health of the people of our province. The government showed good judgment in choosing Mr. Arthur Swanson of the Western Hospital as chairman of that commission, Msgr. J. Fullerton, who is connected with St. Joseph's Hospital, and Dr. Neilson of the Hamilton General Hospital. These gentlemen have had a very wide experience in hospital administration and will certainly be of great assistance to the province in paving the way for our hospital plan.

In the province, at the present time, we have 55,029 beds. This does not include beds for mental patients or beds in federal hospitals such as Sunnybrook. Our public hospitals with these exceptions contain 28,825 beds. In addition, we have about 22,000 beds for mental patients in Ontario government hospitals, although they are not all taken up at present. We have 3,000 beds in our sanatoria, some of which are not occupied. With the vast expansion programmes and the number of hospitals recently constructed throughout the province, hon. members can see we are well on the way to facing any emergency which might arise in the future. Our new hospitals include those at Niagara Falls, North Bay, Sudbury and Port Arthur; recent additions have already been made to Ontario hospitals in Brockville, Orillia and Toronto.

Medical science has made tremendous strides in the past two decades. I think we should pay tribute to the wonderful manner in which the hon. Minister of

Health (Mr. Phillips) has carried out the inoculation of our school children. Some 900,000 of them have now been inoculated with the Salk anti-polio vaccine, which I might say has all been manufactured in the Connaught laboratories of Toronto. I understand that all vaccine to be administered to our school children in the future will come from, and is being manufactured by, the Connaught laboratories.

We have a very enviable record for our treatment of tuberculosis in this province. The present death rate is only 4.7 per 1,000 of our population. This is a credit to the various hospital facilities, but we must also give credit to some of the miracle drugs which medical science has discovered in the last 10 or 15 years.

In fact, I would say it is not improbable that in a few years we will have all but conquered tuberculosis.

We have come a long way since most of the children were born in the homes and the majority of the youngsters contracting whooping cough died under 5 years of age.

I predict that in the next few years we will make even greater strides, not only in the treatment of mental cases but also in improved facilities. Newly discovered drugs promise tremendous help for our mental patients in future.

In this work, the medical treatment is in more or less a formative stage, a very early stage, but much optimism is expressed by the medical profession.

I would also point out to the hon. members that in respect to the treatment of cancer, this government is giving a grant of \$7.3 million towards the building of an institute of radiotherapy here in Toronto, which will be completed later on this year.

With the advent of all these new drugs and techniques, people are living longer and healthier lives, and in some way we must try to utilize to the best advantage their experience and abilities. It is also true that, as a result of people living longer, our citizens now appear to be suffering more from such diseases as cancer, arthritis, and heart disease,

but there too we are making great strides and we can expect in the future to come up with better treatment for these diseases.

I should now like to turn the attention of the hon. members of this House for a few moments to education, and in doing so I would point out that we, in Ontario, lost a very great educationalist in the past year when Dr. Althouse passed away. It was my privilege to have known Dr. Althouse for a number of years, and I know the high esteem in which he was held throughout the province.

We are fortunate in having an able man to assume his duties, and from whom we can expect great things, in the person of Dr. Cannon, who has been with the department for some years.

We have read a great deal from many quarters about the strides that Russia is making in education, and particularly in the numbers of scientists and engineers which that country is turning out. No doubt this has alarmed educationalists in our country, as well as in all countries in the free world, particularly in the United States and Great Britain.

I suggested last year in the House that we should place more emphasis on training in technical education, and I am glad to see this is being done in the province. It is not only academic education that is important. We have a large number of students in this province who should be channelled into technical education even though they may later go on to university. I think we are very cognizant of the need for this in Ontario, which is a healthy trend in the right direction.

I believe a number of technical teachers became somewhat alarmed when they felt that they were not getting their fair share of the above-average students, and I am sure that they will be encouraged by what is taking place in the province today.

I would like to refer briefly to fiscal arrangements and the budget. Hon. members will recall that last year a

warning was sounded by the hon. Provincial Treasurer (Mr. Porter) when he pointed out that things were not as rosy as they might appear. Then I was rather amazed when the hon. Prime Minister (Mr. Frost) related to the House at one stage of the proceedings that Ontario was not a wealthy province, because I had always been under the impression that we were. I found it a little difficult to realize exactly what was meant by that statement—until I looked into the financial arrangements and realized what the hon. Prime Minister was “driving at.”

It is rather an amazing thing, too, that as the debt in Ontario increases in Ottawa the surplus rises. They have been amassing large surpluses for a good number of years. I do not think anyone has seriously questioned the right of our province to be in the direct taxation field, and it would appear that we may have to impose taxes on our people as a result of things we are called on to do in Ontario because of this attitude of the Dominion government. As a matter of fact it appears to me to be a sort of “elephant-rabbit” partnership, where they keep all the elephants and we get the rabbits. Ontario today is being confined in an economic straight jacket manufactured in Ottawa.

The hon. Prime Minister said some time ago—not in these exact words, but this is the gist of his remarks—that we should disown strongly any formula which provides special payment to provinces except Ontario: that we ought to see that this fails to meet the special needs of this province. That statement was made some time ago. Later, the hon. Prime Minister made the following statement, which, I think, is well worthy of our notice:

They were wrong in 1945; they were wrong in 1952; and they are wrong today. They will realize how wrong they were in about 5 years when today's lack of foresight will bring this country to the brink of economic disaster.

The hon. members know that the hon. Prime Minister does not exaggerate, and this is pretty strong language; but I do not think it is any stronger than is necessary. Something must be done about the present fiscal arrangement we have with Ottawa, or the very thing the hon. Prime Minister was predicting in this statement will come true.

It is not only the debt of the province at the present time; it is also the staggering millions of dollars — some \$30 million a year — that we have to pay out just to carry our indebtedness. I believe the present indebtedness of Ontario amounts to some \$750 million. The per capita indebtedness, I believe, is approximately \$142. Obviously this cannot continue. Something must be done.

There are a number of alternatives, if we cannot come to terms with the Dominion government, that are open to this province. Some of them are not very pleasant, because they mean added taxation; but I would point out to hon. members that if added taxation is necessary, we shall have no alternative but to place an added burden of taxation on the people, much as we would regret having to do so; but there is no other way around it. If we are not getting a fair share of the monies collected in Ontario, then we are going to have to take some drastic action, because I suggest to this government that, at the earliest possible moment, we should endeavour to pay our way out of current revenue — that is, to pay for all our current and capital expenses, as well as to put something aside for the retirement of our debt. This should be our aim, and I hope that we will be able to get back to this type of financing within the next few years.

A matter which is of great concern to me in my riding is that of housing. I think most of the hon. members know Regent Park North is located in St. David riding, and in the very near future we will have another housing development to the south, known as Regent Park South.

Some time last year — around May — some of the people in my riding ap-

proached me, and they were more than alarmed about the fact that a group called the Parliament syndicate were buying land in their neighbourhood, because they were being told their property was going to be expropriated.

These people from my riding included many who had not been in this country very long; there were others who were very much confused about the issue, and they certainly were not very happy about the prospect of being put out of their homes to make way for some more or less luxury apartments.

This area was not one set aside for redevelopment, but rather a desirable area, I would say, for this type of apartment — and so, because of other features too, this group, "Parliament syndicate", decided that they would buy up land which would make it possible for them to go ahead and build up a large number of high-priced apartments, which would have many services in connection with them, such as stores, a shopping centre, and that sort of thing.

Not only did the residents become alarmed, but the storekeepers became alarmed as well. I consulted with them and told them that I would give them every assistance.

On one occasion, when the matter was being discussed by the board of control of the city of Toronto, I accompanied the Ward 2 Business Men's Association, who were presenting their brief. I wanted to know exactly the reaction of the city to this matter. Much to my alarm, I discovered that the members of the board of control seemed to be indifferent to the wishes of the private property owners of this district, who did not want to sell or have their property expropriated.

What developed later was that a delegation from the board of control went to see the hon. Minister of Planning and Development (Mr. Nickle), and they endeavoured to persuade him to exercise his powers to expropriate this private property. Certainly much to the credit of the hon. members of this government, and to the hon. Minister

of Planning and Development, the answer was "No", that this government would not give its blessing for the expropriation of this property. So, as far as I know, that is where the matter stands.

There is certainly nothing to prevent the "syndicate" from going ahead and acquiring all the land they need to proceed with this project, but what I was objecting to was the instrument of expropriation being used against these people who did not want to sell. It has always been my belief that private property, or the ownership of private property, is a sacred right, and certainly not to be violated by any government such as ours, and I hope that is the feeling of the hon. members of this government.

This principle is the one great difference between the rest of us and the socialists; they feel that private ownership should be abolished in the interest of public need, but with this theory I do not agree. I hope, as long as I am sitting on this side of the House, to continue feeling the same way.

In connection with Regent Park, I believe all the hon. members know we have some 5,000 people living in the north part, where there are 1,230 units which cost in the neighbourhood of \$14 or \$15 million. The project was contributed to by the 3 levels of government — municipal, Ontario and federal — although a somewhat different arrangement prevails in the development of Regent Park South. Nevertheless the 3 levels of government are co-operating there, and contracts have been let for the first building. The total work will involve the expenditure of some \$11.8 million, covering an area of 26 acres which will provide 773 units for an additional 3,000 people. In two public housing developments side by side, we will be housing some 8,000 people at a cost of some \$26 million.

I would like to point out to the hon. members, Mr. Speaker, that this I believe is one of the finest things in which we have ever assisted, certainly in the

city of Toronto, and I have encouraged the government and the hon. Minister of Planning and Development to accelerate the building of public housing in this city, because there are at least 8,000 people who have applications on file for this type of housing.

This is something in which I feel our life insurance companies can co-operate more closely and, in fact, I think it could be accomplished under private effort without necessarily giving the money as an outright grant. I think if we loaned the money, interest-free, for a period of say 5 years, that at that time there would be enough money accruing in the project to repay the government the money borrowed, as well as paying the municipality concerned, 8 or 10 times more than they were getting in taxes before redevelopment.

A great many advantages go with public housing in addition to just making available decent living, and I would suggest that we should do everything possible to assist the municipalities in developing this sort of thing. It should not be left for the government alone, and for some reason our life insurance companies do not appear to have taken too much interest in public housing in the past, certainly in Canada, and I think it is something in which they can co-operate with us, and in doing so make a real contribution to this province.

When Parliament moved from Newark in 1797, the Parliament buildings were located in St. David riding. As proof, Parliament Street is still there. As further evidence, the hon. Prime Minister will recall when he visited my riding some time ago on official business, that some of his supporters were there to greet him with the "Parliament Street ballad."

Unfortunately, as a result of a fire, the location of the Parliament buildings changed, and I am not just sure when this took place, but I think most of the hon. members will recall that the Americans burned our public buildings in 1814,

and at that time they stole our mace. It rested in the United States until 1934 when, under the good offices of the then President of the United States, Franklin Delano Roosevelt, the mace was returned to Toronto for our Toronto Centennial.

The thought occurred to me last week that, as a result of the remarks which were made about John Foster Dulles, we may be hearing from the state department about returning the mace, but we want to keep it here in Toronto.

Some suggestion has been made that the new hotel which is being built here in Toronto, which is to be known as the "Lord Simcoe Hotel" should have been called the "Governor Simcoe Hotel." However, in looking back over the history, I find that Colonel Simcoe was very much opposed to moving over to Toronto from Newark, and favoured moving to London, but he was prevailed upon by the Governor-General of the time, Guy Carleton, who was later Lord Dorchester, to move to Toronto. Lord Dorchester felt it was a much better location and he liked the natural harbour, and I suppose he insisted and Colonel Simcoe had no alternative but to agree.

I would suggest to the owners of the hotel that in all fairness, they cannot alter history, but they may be able to use it to their own advantage, and I would suggest the hotel be called the "Lord Dorchester," because after all, he insisted on making this the capital.

Mr. Speaker, you also may recall that during the time the public buildings were burned down when the American forces were in Toronto, they were under the command of a gentleman by the name of Zebulon Pike, who later gave his name to the famous peak in Colorado. As a result of burning the public buildings in Toronto, some Scottish troops, after making sure they had a good meal which had been prepared for the President, set fire to the White House and burned it in protest. I understand the fire damage was painted over,

which may be the reason they call this residence the "White House."

I am confident, even though the problems facing this government are great, that we have the ability and knowledge to solve them, and there may be, as time goes on, problems which private enterprise will be unable to solve, and thus it may become necessary for the government to take action. Such problems, to my way of thinking, are basic hospital care and low-rental housing. It just is not possible under existing conditions for private enterprise to be expected to look after these matters.

There may be other things as time goes on, that normally would not be considered government functions, which the government will have to look after. As our responsibilities increase, I am sure we will meet them.

Another matter which I would like to mention today is that of old-age pensions. A great many hon. members have been asking for an increase in old-age pensions, and our government is on record as being willing to share in an increase. I notice in *Hansard* last year, when the Rt. hon. Prime Minister of Canada was asked a question as to whether he intended to increase old-age pensions in the last session, his reply was "No", that he was not intending to increase the pensions in that session nor in the next session. I think we have good cause to believe that our old-age pensioners are going to get an increase, and I am sure this government will be willing to go along and do anything in its power to help the old-age pensioners.

MR. MacDONALD: Is this a pre-view of policy?

MR. PRICE: It seems to me, when the Dominion government can spend \$70 million on the Colombo plan; \$100 million on culture, and has \$2 million in surpluses, it is time they did something about old-age pensions.

Mr. Speaker, may the result of our plans bring peace and prosperity to this noble land we love so well.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. L. M. FROST (Prime Minister): Mr. Speaker, in the excitement this afternoon about the gifts from Wallaceburg, we overlooked the fact that this is Brotherhood Week. I might say that, regarding these gifts from Wallaceburg, I said before that I was going to give them to my wife, but on looking them over I am not so sure about that. I think they might serve my purpose for my hide-out in Victoria county.

I should like to say that we overlooked the fact that this is Brotherhood Week, we always recognize this occasion here in the Legislature, and I think rightly so. The idea of brotherhood has been greatly developed in this province and elsewhere, but particularly I wish to point out here that on the success of the brotherhood movement depends much of the future of mankind.

I should like to take this few minutes that we have available to bring that point to the attention of the House, and to mention the fact that this very important week is one to which we all give our approval. All of us hope that the events of this week, which are very widespread across the province, will emphasize the importance of this matter to our people. It may be that some of the other hon. members want to say something on this subject before we move the adjournment of the House.

MR. ALLAN GROSSMAN (St. Andrew): Mr. Speaker, I would like to associate myself with the words of the hon. Prime Minister. It is too bad that after the bitter experience of recent years it is still necessary constantly to remind people that in the spirit of brotherhood is the only hope for the world and for a world of peace. However, it is apparently necessary to keep hammering away at the idea.

I was very pleased to hear the hon. Prime Minister add his words in recognition of Brotherhood Week; certainly

he has been a shining example of the type of person we need today. He has given an outstanding example of respect and sympathy for the other man's point of view, and if there were many more like him it would be a better world today.

May I just close by quoting the words of a great man who stated:

Let ust no more be true to boasted race or clan,

But to our highest dream, the brotherhood of man.

MR. D. C. MacDONALD (York South): Mr. Speaker, I do not think it should appear that brotherhood is a monopoly of the government benchers; as a matter of fact, what prompts me to rise is that yesterday noon I happened to catch, about halfway through, a telecast which was one apparently of a series that CBC carries called "Commonwealth Teleview."

On this occasion the new Prime Minister, the emerging Prime Minister of the new Dominion of Ghana, more familiarly known as the Gold Coast, Prime Minister Nkrumah, was being interviewed by a Canadian, Robert McKenzie, well known to people who listen to CBC, and it seemed to me that here, Mr. Speaker, was a remarkable example of brotherhood on the eve of Brotherhood Week.

Here is a man whose colour is inky black, and yet who, in terms of outlook and in terms of his concept of human relationships, is certainly, if I may put it this way, as white as driven snow, a man who emerged out of a society so chaotic that he had to smile and chuckle when asked what his age was and to say quite frankly: "I don't know, it is sort of a secret between me and my mother, because when I was born they didn't keep statistics regarding births."

Yet here, within the short space of roughly 45 years from the time of his birth, he is emerging as the leader of a new commonwealth country, a country that is going to be really a pioneer

in the new development of the British Commonwealth, because it will consist overwhelmingly of negroes, of Africans.

Perhaps it was a personal reaction on my part, but it seemed to me, Mr. Speaker, to capture and emphasize the fact of brotherhood on the eve of Brotherhood Week. Perhaps, too, it might serve to remind us, as I tried to indicate a year ago, when this matter came up in the House, that this is something to which we dare not continue to pay "lip service" without some pretty real and meaningful action to fulfil that lip service.

HON. MR. FROST: Mr. Speaker, I understand that tomorrow there will be tabled the report of the toll roads committee. It may be that some hon. members of that committee might want to say something at that time, but I think we will adopt the plan of tabling the report and then putting it on the order paper so that hon. members may speak on it later.

I do not want to place any bar on any member of the committee saying anything relative to the report that he might want to say tomorrow.

We might advance some of the bills on the order paper, and we will proceed with the adjourned debate on the amendment to the motion in reply to the speech from the Throne.

MR. MacDONALD: Mr. Speaker, before we leave this matter, surely we could have a decision one way or the other on this.

Does the hon. Prime Minister want a debate on the toll roads committee report tomorrow or does he not? Because, as hon. members of the House may not be aware, I cannot see my way clear to signing this report, and the procedure in this House is that one does not make minority reports, at least I understand that is the usual procedure, although I think it has been violated in some instances; for example the report into the highways situation, where a minority report was made.

However, it seems to me that the place to express one's views on such a report is here in the House.

In the case of as serious and as lengthy an investigation as this, it cannot be done in 5 minutes, so it seems to me that if a debate is wanted tomorrow, fine, and if one is not wanted it might be left until later, but let us not leave it hanging in mid-air.

HON. MR. FROST: Mr. Speaker, I would be prepared to leave that to the chairman of your committee. I have felt that the report could be tabled and then the debate take place later.

MR. MacDONALD: I have no objection to that, Mr. Speaker.

HON. MR. FROST: I wish to leave it to hon. members. Regarding the arrangements which we made today with respect to the debate on the speech from the Throne, it is not necessary to press that debate forward to a conclusion on Wednesday. I am quite satisfied to leave the matter to members of the committee. If hon. members opposite want to, may I put it this way, "caucus" on the matter this evening, I would be quite satisfied. If they want to go ahead with the debate on that report, all right; if they would prefer to leave it off—and I think it would quite satisfactory if they did so—then that too is fine. I am quite satisfied to do whatever the House thinks best.

MR. F. R. OLIVER (Leader of the Opposition): On that point, Mr. Speaker, I think a lot of good is served by bringing in these committee reports. The average hon. member who is not on the committee is not acquainted with what the report contains; he is not supposed to be and in most cases I think he is not.

I think it would serve best the public interest and the debate on the matter to have the report brought in and have those committee members who desire to speak on the report give their interpretation of what the report contains,

and hon. members can read, in the ensuing days, that interpretation plus the report, which it seems to me would place them in a much better position to debate the question at length.

If we bring the report in tomorrow without any debate, then we are not in possession of the interpretation of the report as the members of the committee could, and I think should, give it.

I liked the innovation on the report the other day. I think it is a good one, and I think we should continue it with respect to this report.

HON. MR. FROST: Might the report not be tabled tomorrow and perhaps the chairman give a general explanation of it without going into too much detail? He could give an explanation of it, and possibly one speaker from each of the groups opposite say something about it by way of explanation; place that before the House, and then adjourn the matter so that there could be a debate on it.

I believe I understand the point of view of the hon. member for York South, that if he speaks tomorrow he might speak very briefly and perhaps that might preclude him from saying something afterwards. I think we could obviate that by agreeing that if there is an explanatory reference to the matter that would not make it impossible for the hon. member who made that explanation to speak later on when the report is debated.

MR. MacDONALD: In other words, Mr. Speaker, the hon. Prime Minister would prefer it to be a short debate tomorrow.

HON. MR. FROST: I would think so. I feel that if this report is tabled tomorrow hon. members will have no idea what is in it, and if an hon. member were to go to a great deal of trouble in making a lengthy explanation and speech on the matter, most other hon. members would not know what he was talking about, by reason of the fact they do not know what is in the report.

I should think tomorrow there might be such brief explanations as might be made in tabling the report, and then we can leave the contents to be debated at a later date. If that is satisfactory, Mr. Speaker, we can adopt that procedure.

MR. OLIVER: Mr. Speaker, may I ask the hon. Prime Minister if he could indicate to the House whether there will be a night session tomorrow? I do not think it is just "cricket" to leave that in the air if we can avoid it.

HON. MR. FROST: No, Mr. Speaker, I do not think we will have a night session tomorrow. Probably there will be one on Wednesday, I think possibly we can avoid night sessions this week.

MR. OLIVER: I would think so, sir.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.00 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, February 19, 1957

THE QUEEN'S PRINTER
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1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

TUESDAY, FEBRUARY 19, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. J. A. MALONEY: Mr. Speaker, I beg leave to present the second report of the standing committee on private bills and move its adoption.

CLERK OF THE HOUSE: Mr. Maloney, from the standing committee on private bills, presented the committee's second report, which was read as follows and adopted:

Your committee begs to report the following bills without amendment:

Bill No. 3, An Act respecting National Organization of the New Apostolic Church of North America.

Bill No. 14, An Act respecting Carleton College.

Your committee begs to report the following bills with certain amendments:

Bill No. 17, An Act respecting McMaster University.

Bill No. 18, An Act to incorporate McMaster Divinity College.

Your committee would recommend that the fees, less the penalties and the actual cost of printing, be remitted on

Bill No. 3, An Act respecting National Organization of the New Apostolic Church of North America; Bill No. 14, An Act respecting Carleton College; Bill No. 17, An Act respecting McMaster University; and on Bill No. 18, An Act to incorporate McMaster Divinity College.

Motion agreed to.

REPORT OF TOLL ROADS COMMITTEE

MR. J. P. ROBERTS (London North): Mr. Speaker, I beg leave to present the report of the select committee appointed on September 8, 1955, and re-appointed March 27, 1956, to examine into all matters relating to toll roads.

Mr. Speaker, before making a few remarks to the House concerning the content of this report, I would like to make some acknowledgement to those people who have assisted the committee so very ably and pleasantly throughout the two years the committee has been sitting. I would like to mention a few names amongst the civil servants of this province who have assisted us: Mr. Walter Macnee, who is a traffic engineer with The Department of Highways; Mr. Ronald Cooke, an economist in The Department of Economics; Mr. Fulton, the present Deputy Minister of Highways, who was formerly director of planning; Mr. George Gathercole, provincial economist; Mr. P. T. Clark, comptroller of revenue; Mr. Philip Wade, who is in charge of the present needs study that is being prepared.

These able men have all been of great assistance to us, and have come back time after time to answer our queries, and we are very grateful to them.

I would also like to express our thanks to Mrs. Irene Beatty, of the hon. Prime Minister's office, who was of great assistance in typing the report; Mr. Ken Fulford and Mrs. Marjorie Newberry.

Mr. Speaker, we had this report printed in very short order by The Department of Highways, and Mr. Frank Flack and his staff worked on Saturday and Sunday to produce it in order that we could present it today, and to them we are also grateful. I think I speak for all the committee when I say how truly grateful we are to the secretary, Mr. Donald Collins; he looked after us in the various trips which we took out of the province and he is a master at organization, both in material to be presented to us and of the various organizations and people whom we found it necessary to see. I can only say that he has done a very wonderful job.

This committee was originally appointed in September, 1955, and we brought in a report a year ago which dealt entirely with toll roads. Because of the shortage of time in preparing that section, or that part of our report, it dealt almost entirely with the principle of toll roads.

We were reconstituted in 1956 in order that we might assess the application of these principles to the situation in Ontario, and we were also asked to enlarge our study to include some research on the whole question of weight-distance tax, or what is commonly referred to, perhaps erroneously, as third-structure tax. That tax is imposed in addition to gasoline tax and straight registration or licence fees.

We visited many municipalities in Ontario in our investigation into whether toll roads might be used in this province, and we also visited some of the operating toll roads in the United States.

In the last year there have been various reports circulated to the effect

that toll roads are dead, that they are a dead issue, and they are no longer to be considered. These reports have emanated primarily from the United States, and I consider them to be quite in error.

What has happened in the United States is simply this, during the days of cheap money, these various facilities were built and they were financed at a very low rate of interest, some of their bonds were sold for as low as 2.75 per cent. Naturally, in the tight money market that exists today, the current market price of these securities is very low, because equal security can be achieved today with a return of anywhere between 5 and 6 per cent.; therefore the depressed price of these securities. As a result of the depressed price, the facilities themselves are not producing sufficient revenue to make them practical or to meet their obligations. With one or two exceptions, this is wrong.

There is another reason why these reports have grown up and that is that the toll road business—if one chooses to put it that way—in the United States has gone on to a point where the really heavy concentration of population have toll roads operating now, where they are practicable by and large, and these roads are a very specialized form of operation; the number of places where they can be used is definitely limited.

Thirdly, the federal government of the United States has in the last year instituted a scheme of building what they call a national system of interstate highways, and under this scheme the federal government proposes to undertake 90 per cent. of the cost of some 52,000 miles of highway to be built throughout the United States. Naturally, no jurisdiction is going to build a toll road if the federal government is going to contribute 90 per cent. of the cost of a similar road.

Toll roads have become unattractive in the United States for the reasons I have pointed out. It has nothing to do—and I do not want hon. members of this House to be confused with the thought—with the practical aspect of a toll road.

There may be other reasons why they are not practical, but the experience in the United States has been, by and large, good.

Just while I mention this United States federal government proposition, perhaps hon. members would be interested in knowing how it proposes to finance this. It intends to impose a two-cent gasoline tax on all gasoline sold in the United States; it also proposes to take 20 per cent. of the revenue derived from new buses, trucks and tractor trailers in 1957, and 50 per cent. thereafter; 37.5 per cent. of the tire tax in 1957, and 100 per cent. of the revenue from tires and inner tubes thereafter.

These allocations of tax will continue until 1972, and none of these revenues may be spent on anything other than this highway proposition.

Last year we spoke about the possibility of the Canadian federal government participating in our road programme. I may be speaking for myself, and not other hon. members of the committee, when I say that I am not in favour of the federal government participating with us, for the very practical reason that I feel it will cost us money in the long run. If the federal government were to take any portion of the gasoline tax from the province of Ontario, I feel we would find ourselves in the position of financing roads in some other province, whereas if we impose our own taxes and collect our own revenue from our own automobiles and build our own highways, I think in the course of time we will come out ahead financially.

In regard to our actual recommendations, the hon. members all have a copy of the report in front of them, and on page 29 are listed the recommendations we make concerning toll roads. I am going to read each one of these:

That there be no consideration given to placing toll charges on multi-lane highways that have been constructed or that are partially constructed even though they may be semi-controlled access highways of high standard.

That means, in effect, we do not recommend that highways known as No. 400, No. 401 and the Queen Elizabeth Way be tolled, and that they be operated, and the construction completed, as free-ways.

There are several reasons for arriving at that conclusion. I will mention some of them, and there may be some that other hon. members would like to mention in later debate. The Queen Elizabeth Way and highway No. 401 are completed and paid for, and it did not seem to us that, inasmuch as they have been paid for, it would be proper at this stage of the game to place a toll on them.

Secondly — and this is an extremely practical difficulty — there are tremendous engineering difficulties in converting these roads into toll roads. A toll road, to be effective, must have one of two things: it must have very closely controlled access so that one cannot get on it without paying; or, there must be barriers erected at stated intervals along the road so that, in order to pass through the barrier, the user must pay the toll. The building of barriers in the making of a toll road would cost a tremendous amount, and people have become accustomed to the present locations of the points of access, and it is felt that the revenue would not justify the cost. When barriers are erected across such roads, their effectiveness is destroyed because the traffic is slowed down; after all, these roads were designed to speed up, and not slow down, traffic.

In addition to that, highway No. 401, as it is being constructed, is a very long highway and runs through areas of both high and low density of population, and there is some question as to whether the revenue over its overall length would be sufficient to justify toll.

Finally, I think it is the feeling of the committee that these roads are extremely important to our economy. Good roads, combined with the tremendous increase in the trucking industry since the war, I feel have resulted in some of our roads now occupying the position in our economy

which the railroads did back at the turn of the century. Where these roads go, so goes industry.

There is no doubt that highway No. 401 will be a tremendous development for this province. As we travelled up and down its length, we were of the opinion we should get a diversification of industry and the release of industry from the tremendous concentration in the Toronto area, and it should lead to industrial development in some of the less developed areas of the province. For those reasons, and others I do not mention, we came to that conclusion.

Our second recommendation is:

The committee recommends that The Department of Highways obtain a feasibility report from competent independent engineers when future highway demands indicate the necessity of a controlled access 4-lane highway.

What we recommend is that, when such a road has to be built because of traffic demands, the feasibility of its construction as a toll road should be investigated. There are various reasons for that recommendation as well. Some of these roads will serve very limited areas. I will deal with this a little more fully in connection with another recommendation we make.

But if we are going to control access on a road to the point where we limit the users, people perhaps living in close proximity would be unable to use it as they would be unable to get on it and it may be, in our opinion, proper to impose a toll on that road and let those who use it pay for it, and let those who have the benefit of the controlled access pay for the cost of it.

Our next recommendation is on page 32 of this report:

As a specific project, the committee recommends an early study by independent engineers of a new strictly controlled access highway between Toronto and Hamilton, to determine its feasibility as a toll facility.

Here we have the classic situation, in my opinion. Traffic between these two centres, Hamilton and Toronto, is building up at a very fast rate. Our own traffic engineers tell us that within 5 to 6 years we are going to need a new road in any event—either a toll road or a freeway; there will have to be an additional pavement.

We suggest, and we are of the opinion, subject to any results that may come from a much more scientific study than we are able to make, that there is sufficient traffic, desirous of moving between Toronto and Hamilton at a high rate of speed in the least possible time, which is prepared to pay for such facilities.

We have also highway No. 401 which, in due course, will be constructed, and we have the Queen Elizabeth Way running between these places, and highways No. 5 and No. 2, so that we have plenty of freeway for those who may not wish to use such facilities. But if we can take off these other roads the traffic that wishes to reach its destination at a rapid rate of speed, then surely we will benefit those who wish to use the freeways, and we will be providing a facility for persons who will pay to use it.

In addition, that toll road would be very strictly controlled; at least that was our idea. Then we ran into the situation where a person may live within 100 yards of a highway and be forced to drive 15 miles to get on it. That type of road, perhaps, should be tolled.

On page 34 we have another specific recommendation, concerning the Burlington skyway:

The committee recommends if the feasibility of the Burlington skyway is established by means of an independent engineering study that the cost of this bridge and its approaches be amortized and retired by means of toll charges.

Mr. Speaker, this Burlington skyway is going to cost approximately \$17 million, and is going to carry a tremendous amount of out-of-province traffic, as I choose to call it. There will be an alter-

nate bridge available, and we feel that it would be wise to attempt to amortize the cost of this bridge out of the toll charged to those who use it, in order to release that \$17 million for other highway improvement and maintenance in the province.

I think this particular recommendation may receive a certain amount of debate, so I will say no more about it other than to say that, on two occasions, representations were made to the committee by the city of Hamilton, the county of Wentworth, and the suburban roads commission of the county of Wentworth, and that on each occasion they recommended that this facility be tolled.

Then we recommend, similarly, that a feasibility study be made concerning a proposed toll bridge over the Welland canal, in the event it should prove necessary. If such a study shows that it is feasible, we recommend that the toll facility be built over the Welland canal at the junction of the Queen Elizabeth Way and highway No. 8. This, apparently, is a tremendous bottleneck, and the reasoning that applies to the Burlington skyway also applies to it.

We visited Fort Frances to examine a causeway that has been discussed for many years in that area, and there was some idea it may be possible to build a toll facility there. We recommend that the causeway at Fort Frances and the road linking Fort Frances to Atikokan be given priority in the Ontario highway construction programme.

We may make no recommendation that it should be built as a toll facility. The reasons we may not do so are obvious: at the present time if a causeway is built, it must be built across a lake and there are 60-odd miles of bush to travel through until the end of the nearest road is reached. It is part and parcel of the same thing, but the junction has to be built into the present highway.

We were all very impressed with the importance of constructing this link. There is a mining and a potential industrial area developed in the Atikokan region, and 60-odd miles away there is

some of the finest farming land in Ontario, with the market building up in the Atikokan area for farm products, but the farmers cannot get them there. The residents of Fort Frances told us, when we were there, that they have 50 million potential American tourists living within one day's driving distance, all of whom would use this road for pleasure.

We feel that this type of road, in terms of the province as a whole, would certainly justify any expense in building.

On page 36 of the report, we make final recommendations so far as toll road facilities are concerned. We recommend that all owners of Ontario registered licenced passenger vehicles be given the opportunity of purchasing an annual permit which will permit the use of a toll facility in the province without further charge.

I hope that is not ambiguous. We mean a car owner would be able to purchase an annual permit for any one of these facilities that might be tolled. We are thinking, in particular, of the commuter when we make this recommendation. For someone who uses the facility to go to and from work each day, a toll could be very onerous, and we suggest that people in this position be allowed to pay a fee for a licence which would permit them to use this facility at will.

There is precedence for the position that we have taken. In the New York thruway, persons licenced in the state of New York can, for \$20.00, buy the right to ride on or off within any portion of the 400-odd miles of the New York thruway at will. We think that is a good recommendation, because it will remedy the onerous aspect of this tolling as it should develop.

Mr. Speaker, that is all that I intend to say concerning the toll road aspect of our report. I anticipate that there will be comments made by members of the committee in due course, and perhaps there will be further discussion arising at that time.

I would like to deal, for a few minutes, with highway financing as

such. When we were asked to check into the question of weight-distance tax and possible third-structure tax, we found that to approach the subject at all intelligently we had to go back and start from the beginning of highway financing, and, believe me, we wandered around in a lot of very unfamiliar fields for some considerable time.

Weight-distance tax development, in the first place, is what the Americans term a "third-structure tax" simply because it is imposed in addition to the gasoline and registration taxes. This tax is designed primarily to relieve certain inequities that have grown up in the imposition of gasoline tax as between the various highway users.

It has also been used in the United States to some large extent to relieve the inequities that have grown up between various jurisdictions; that is, particularly, states which are used as corridor states by heavy trucks. They come into the state on one side and go out the other. They do not stop to buy gasoline or pay registration tax, and this tax is a type developed to rectify that situation. It has grown up as a result of the tremendous increase in the number of really heavy highway carriers.

The figures are set out in the report. I do not have them right at my fingertips, but they are all here. They are on page 50, where there is a reference to the number of heavy motor vehicles from 1946 to 1952 to 1956. If we take vehicles from 13 to 14 tons, in 1946 there were 36 licenced; in 1952, there were 87 licenced, and in 1956, there were 7,306 registered.

I just quote those figures to indicate the tremendous growth in the use of our highways by the heavier vehicles.

I am going to speak about the gasoline tax at some short length, and when I do, hon. members will understand why this increase in the number of heavy vehicles has caused us some concern. Our present tax-producing system for highway users falls into 3 categories. First, we have a gasoline tax, secondly, we have registra-

tion fees, and, thirdly, we have public commercial vehicle registration fees.

I say this to hon. members, that if they will bear that in mind, they will understand what I am going to say in a moment or two.

First of all, examining the gasoline tax, it is at the present time our greatest source of revenue from highway users. It is a perfect tax in many ways. One of its greatest virtues is its cheapness and ease of collection. The government receives all the revenue from the gasoline tax to spend. Its collection costs are only about one per cent. which is, of course, very low.

But there are some disadvantages to it which have developed recently. First of all, it has what I have referred to as a retrogressive feature, and that retrogressive feature means that, if a person estimates the number of pounds or tons which he can move a certain distance over the highway, he finds that the heavier the vehicle, the more pounds he can move for the same amount of tax.

I am going to read to the hon. members straight from our report, because we have certain examples here:

A simple increase in the rate per gallon of gas tax would mean that approximately 90 per cent. of the burden would be paid by the passenger cars and light trucks in relation to use and number of registrations—

In order to explain this, I may say that a passenger car weighing approximately 2 tons travels approximately 18 miles per gallon, and thereby obtains 36 ton-miles, if hon. members want to put it that way, of operation for the 11-cent tax. A truck weighing 46,000 pounds, or 23 tons, travels 5 miles per gallon of gasoline and obtains 115 ton-miles of operation for 11 cents. It is found that when the really heavy truck is considered—the 34-ton truck—it travels 4 miles per gallon and gets 136 ton-miles of operation for the 11 cents.

In order to believe in this type of tax, one must accept the premise that the cost of a highway is composed of two factors

—one, the weight of the vehicle that rides on it, and the other, the miles which the vehicle travels over it. In essence, it means the heavier the vehicle the more expensive the road, because it has to have broader shoulders, be of better construction and have more sight-distance. There are all kinds of factors which increase the cost of a highway that is built to accommodate the heavier and larger types of vehicles.

That is where the gasoline tax breaks down, and it can be seen that this breakdown has come about relatively recently with the great increase in the number of heavy trucks, for as long as the trucks were not too big, or not too many, it was an inequity which we could put up with without any worry.

There is another grave difficulty in the gasoline tax. The gasoline tax is a fixed tax which does not increase with inflation. For instance, with income, sales or corporation tax, if we have inflation our revenue from tax automatically goes up and inflation takes place.

With the gasoline tax that is not so, because it is based on a gallon of gasoline which remains constant at all times, and the amount of revenue per gallon remains constant. Therefore, if inflation takes place, due to increased costs, we do not double our revenue in order to meet those costs.

There are figures in the report which I want to go through. This has been a very important factor so far as this province is concerned, because the construction costs have risen. When we receive increased revenue in our gas tax, it means one of two things. It means more vehicles and an increase from our registration fee; it means more vehicles and more miles travelled; and the more miles travelled means that we must have more roads.

In addition, we find that since 1941 the gas tax has not been altered, so far as any of the residents of this province are concerned. I would suggest that it is one of the few taxes which have not been increased in that period of time, and there has been a great loss to the province through inflation since 1941.

May I deal with the weight-distance tax, which I will assume that hon. members do not know anything about, because we certainly did not when we started our investigation into it.

In essence, a government establishes a rate of tax for the various weight groups. The rate varies with each weight group, and is applied to the mileage travelled by the vehicles in that group, and the product of these two figures—weight plus mileage—produces the actual amount of tax paid.

The rates—and this is really the most technical and most difficult part of the entire problem—the rates are based on the cost of construction and maintenance of the type of road that will stand up to the wear and tear caused by the class of vehicle to which the rate applies.

There are various methods of computing these costs. We examined several that have been developed in the United States. We feel that it is not impossible to develop such rates for this province. If it is applied on that basis, hon. members will see that it will require the keeping of mileages by the truck drivers, and that lands us into this difficulty, that the truck industry informs us in no uncertain terms it would be very onerous for them to do so. They state at some length that the more efficient operator will keep these records and pay the tax, and the less efficient operator will not; and they may be right; but I am not convinced that it cannot be done, because we have taxes at the present time which are just as difficult.

One great advantage to the weight-distance tax is that it will not interfere with the technological development of engines. It will give us a tax which will remain constant.

We all foresee the time, of course, when the gasoline tax might be of no value whatever as a basis for taxation. It may sound a little far-fetched, but perhaps it is not. We have now a submarine in the United States that travels 55,000 miles on one load of fuel. Some-

where along that line, that is going to be developed for use in motor transports. We already have our problems with diesel fuel. When a tax is based on a unit of fuel, and when one type of fuel will produce 100 miles and another produce 5,000 miles of travel, hon. members can see that tax is going to be quite useless. We feel that somewhere in this weight-distance approach is the answer to the problem when it does arise.

I should like to speak for a moment or two about the need for increased revenue in the province. We went into this matter in great detail in the interim report we filed a year ago, and I do not propose to go over these figures. They are all there.

But in the interim report we had the advantage of the studies that have been made by the committee of The Department of Highways that has been set up to prepare a report on a 10-year highway need basis. From them we found that it appears, from the figures we have received, that we are going to require something in excess of \$230 million a year for the next 10 years, and that will not include the amounts needed as new roads become necessary. This amount will look after the backlog of highway needs; it will look after the repairs of various roads that are not tolerable at the present time; and I will leave it to someone else to go into the particulars of those highway needs. But the figures are tremendous and large amounts of money are going to be required.

In regard to our specific recommendations on the financing portion of the report, they are contained on page 47 and I would like to read them and make some slight comment on them:

The committee recommends an acceleration of the present highway programme and that the gasoline tax in Ontario be increased to provide additional funds for the province for this purpose.

Hon. members will note we have tied in an increase in the gasoline tax with an acceleration of the highway pro-

gramme. We feel that, at the present time, we have to bite into this backlog and we also have to keep up with present requirements. We feel an accelerated building programme is absolutely necessary and, if it is necessary we are going to need more revenue, and we recommend that the general gasoline tax in the province be increased to provide that revenue.

We do not suggest any amount. The amount will be dependent on the speed with which these roads are built.

Secondly, we recommend that the public commercial licence fees be adjusted to cover, first, the costs of administration and enforcement of The Public Commercial Vehicle Act, with the adjustment thus obtained transferred to the registration fee for the weight group.

Now that sounds, I suppose, a little complicated, but the situation, briefly, is this. The commercial truck today has a registration fee and the owner pays a public commercial registration fee. The Public Commercial Vehicle Act was established, in the first place, not as a means of obtaining revenue, but as a means of controlling the trucking industry. It was thought that the issuing of franchises over the industry would cause a healthy growth, but over the years it seems it has been used to produce revenue as well, so that in the public commercial registration fee, they are paying not only an amount to enforce the Act, but are also paying money into the general coffers of the province. The private trucker, that is the company which runs its own truck, of the same size and same weight and operates it the same distance on the same highway, is not subjected to that portion of the PCV registration fee. That is revenue; and what we are suggesting, is that the private carrier be taxed, as far as registration fees are concerned, on exactly the same basis with the public commercial carrier.

We recommend, secondly, that registration fees for all types of vehicles be reviewed in order to achieve a greater equity in accordance with cost responsibilities.

This arises out of certain comparisons that can be made in the present payment of the licence fee, and applies to passenger car vehicles. For a Cadillac car the fee is \$21.00 on a minimum weight of 4,400 pounds, and a maximum of 5,130 pounds. For a Ford it is \$21.00 for a minimum of 2,180 pounds and a maximum of 3,728 pounds. We feel there is a better basis of licencing automobiles than the one we are operating at the present time, and a more equitable way of so doing. The thinking of the committee is, if it were put on a weight basis in accordance with the same principles I have been discussing, it would be a much fairer way of collecting revenue from the public at large.

Fourthly: we recommend that the government review the tax rate per gallon levied on fuels other than gasoline, with a view to equating a tax contribution for vehicles of the same size, weight and power, either by gasoline or other fuels. This requires that there be an increase in the rate per gallon tax levied on diesel fuels. This is what I was talking about when I said the whole system of gas tax might break down here when we have diesel fuel which will produce so many more miles per gallon over our highways, and we feel that should be equated. It is not so much the efficiency but the use people make of the province's highways and if the tax is based on gasoline or other fuels where one type will take one vehicle further on a gallon than another, then some adjustment must be made.

We recommend the province contribute additional funds for the construction of new highway facilities by issuing 20-year bonds. What we have in mind in this recommendation, and might not be possible in one year for the government to do so, and probably will not be, is that sufficient funds be raised to look after the highway building programme for that period, and we suggest that the government accept the proposition of financing our highways through the issue of bonds.

There are several great advantages in doing it this way:

Firstly, it would permit planning regardless of budgetary considerations. It would permit The Department of Highways to plan 5, 6, 7 years ahead, and we feel it would lead to a much more efficient building programme.

Secondly, the amounts of money required are going to be so great that the pay-as-you-go system breaks down. It simply cannot be raised. If we attempt to get it on our backlog on a 10-year period, and arrange to pay for it in a 20-year period, we are of the opinion it has merit and will lead to a much more efficient handling of this problem.

I have some notes concerning an increase in the gasoline tax, and I would like to revert to that subject for a moment. We did some investigating into what it costs the taxpayer to operate a car in the province, and I have these figures in which I think hon. members will be interested. Assuming a man drives 8,000 miles a year and gets 20 miles to a gallon of gas, he will pay an average of \$58 in gasoline tax and registration fees for the use of the highways of the province at the present time. His annual insurance premium is \$65, exclusive of collision insurance, which we all know is the most expensive coverage to have. He will pay, approximately, \$120 to park and store his car; for depreciation, from \$200 to \$500. We also might assume, over a good number of cars, it probably would work out to \$100 per car for maintenance and repair.

These figures are interesting because they simply show that the most reasonable cost in driving a car today is the use of the roads. If we apply it on a percentage basis, it is our estimate that a one cent increase in the gasoline tax will produce, approximately, \$10 million, and will increase the operating costs of an automobile by something less than one per cent.

Our final recommendation of the financing section of the report is that immediate steps be instituted to develop

the necessary rates for the imposition of a weight-distance tax contained on page 48.

This final recommendation is in line with our thinking, that a weight-distance tax applied in one form or another is going to be necessary in the years to come, and we might as well recognize the inevitability of it now and do something to establish the proper rates. The secret of the tax is the correct enforcement of the cost to the various weight groups. We in this committee are unable to even attempt any estimate of that. It is a matter for very close study, and we recommend that studies be instituted immediately.

Before closing, Mr. Speaker, I would like to make this point, that the committee feels these recommendations constitute a whole. They are not, we hope, to be taken apart and treated separately. Firstly, we need the accelerated programme of highway building. Secondly, it should be financed through a gasoline tax. Thirdly, if the gasoline tax is increased, then these steps should be taken to rectify inequalities in the tax paid between the light vehicle and the tax paid by the heavier vehicle. We want to present it to the hon. members as a whole; not as a group of separate recommendations, because the whole situation is necessary to solve the problem.

There will be further debate in time to come and after the discussion held here yesterday I would be happy to answer any questions, when that debate occurs, that I am capable of answering. Perhaps after the hon. members have had an opportunity to read this report, we might have some debate on it.

MR. P. MANLEY (Stormont): Mr. Speaker, in rising to make a few remarks this afternoon, I want to inform the House that my remarks are going to be a sort of general summary of this report. I understood the hon. Prime Minister (Mr. Frost) made it clear that the report would be tabled today, and that a few hon. members would have an opportunity to make some general remarks. I understand that this

procedure will not prevent us from going into the debate at a later date.

With that understanding, I am prepared to make a few general remarks this afternoon and I would like to avail myself of the opportunity at a later date to go into the report more fully. The report has just been tabled this afternoon. I am sure the majority of the hon. members of this House will want to have an opportunity to read the report, and then to make their contribution in the House in the course of the debate on this issue before us.

Before going into the report itself, I want to say that the hon. members of the committee certainly worked very hard in gathering this vast amount of information in order to assemble and condense it in its present form.

I would like to say the hon. member for London North (Mr. Robarts) has been a very good chairman, he has kept the discussions on a very high plane, and has given each and every one of us an opportunity to express ourselves in the various communities that we visited. Equal opportunity was given to each and every hon. member in formulating this report. Each hon. member is going to have an opportunity, I am sure, to express his opinion with regard to the contents of this report.

The secretary of the committee certainly had a tremendous amount of work to do, and I would like to take a moment to express my personal appreciation to him for the way he handled the different travelling arrangements, the way he was able to compile the information that we needed to make this final report to the House this afternoon. As the hon. member for London North has said, the heads of the different departments of government where we went to seek information gave their fullest co-operation in giving us the necessary information that we required. All the hon. members of this committee appreciate the efforts that were put forth to complete this report as it is.

In opening my remarks on this particular report this afternoon, I want to make it quite clear that I have seen the

report. Because I helped to form the conclusions that have gone into it does not mean to say that I am in full agreement with everything that is in this report. I would honestly say that I have certain reservations, that is, personal reservations.

However, this report has been formulated from the opinions that were gathered from certain people when we travelled about the province and to other jurisdictions; it was based on the information that we, as a committee, were able to secure. By sifting out these different opinions, and condensing them, we were able to bring forth this report and bring certain recommendations to this House.

I do not know what the attitude of my colleagues in my own particular party is going to be about the report, because, as with other reports in the past, the hon. members forming the committee are pledged to secrecy as to what the report contains until it is tabled in the House. That is also true in this case.

Not one of the hon. members in my group have seen the report or knew what was going into it until they had the opportunity to read it this afternoon. It does not necessarily follow that what I say about this report is the thinking of the Liberal party or the opposition on this side of the House.

In formulating the report I was very cognizant of the fact that we have very many problems in this great industrial and growing province of ours. In speaking about the needs of highways in this province, there are many other problems we should keep uppermost in our minds.

The first that I always kept in my mind in helping to formulate this report was the field of education. We are aware that highways and roads in this province are not too important unless we educate the young people to take our place and carry on the various occupations they are required to do in this province of ours. We have other obligations as well as education, including hospitals.

We have our old age recipients who are living possibly not quite as well as

some of us at the present time. We have these people living on old age pensions today who were more or less the middle age class back in the 1930's. They did not have the opportunities which the citizen of today has, and many of these older citizens are today living on \$40.00 a month. We have to take that into consideration, we cannot put all the money we have available into a provincial highway system and not take care of our old age pensioners.

We have widows receiving widows' allowances, and retarded children in this province, and this fact is something we should keep uppermost in our minds — there are various social benefits that should be distributed to these citizens of this province.

The next thing that should be considered is the percentage of cost that should be established between the users of the roads in the province and the responsibility of the province itself. I do not think we have yet come to the time that we should say that the users of the highway in this province should pay 100 per cent. of the cost of these highways.

I think the majority of the hon. members will agree with me when I say that we have to establish what percentage the user of the highway should assume, and what is the responsibility of the province. I am not going to suggest what those percentages should be, because it is up to the hon. members to decide what is their responsibility as a province and what is the responsibility of the motorist.

However, I do want to say that as we travelled about the province and contacted the local people, the different municipal bodies, they certainly made it quite plain to us that they needed highways, and we certainly must agree with them. With this great industrial expansion as we see it, with industry growing in different parts of the province, it is very necessary that we have road facilities, so they can get in their raw materials and market their finished products.

Mr. Speaker, this report has not been tabled in the House today with the

intention of suggesting that it is just for present day needs; I think the hon. members of this committee were looking ahead for at least 10 years, and although some of the recommendations made in the report perhaps do not apply today, I think they will apply within the next 10 years.

I think that was the idea of the hon. members of this committee, because it is very important that we in this province do look ahead and consider the future needs, as Ontario is growing at the present time and as it is going to grow in the future.

In 1903, Ontario first introduced the licencing system with 178 motor vehicles licenced. I would just like the hon. members to remember that for a moment—in 1903 we had 178 vehicles registered in the province of Ontario. At the end of 1956, the Ontario registrations had mounted to 1,692,363, so hon. members can see the vast increase that has taken place in the last few years.

Indications are that this increase is going to continue for some years hence. The gasoline mileage tax was introduced in 1925 and I will agree with the chairman when he said a few minutes ago that the motorists in the province of Ontario have not paid any different tax rate per gallon of gasoline since 1941. We do know that The Department of Highways of this province did get an increase of 3 cents when the federal government stepped out of the field, but it is true the motorist in the province has not had an increase since 1941.

As was mentioned a few moments ago, the work of the committee when it was set up was to deal with toll roads, and when it was re-established it was toll roads and highway financing.

We visited many parts of the province, and the residents stressed upon us the importance of additional road facilities in this province of ours, because we have a little different situation than we had a few years ago. Many of our railways are disappearing; we

had one which closed just a day or so ago in my part of the country, the New York Central connecting Cornwall with Ottawa.

These particular communities at the present time have not the facilities of rail transportation and we are very much concerned in that part of the province because we have not the road facilities. I am sure the hon. member for Russell (Mr. Lavergne) will agree with me that the communities lying between Cornwall and Ottawa are certainly suffering at the present time without the road facilities to service them in the way the railroad formerly did.

People in the different communities that we visited impressed upon the committee the necessity of road facilities to develop their areas and persuade industry to locate there.

The committee in its investigation into toll road financing was impressed with the urgency of construction of multi-lane highways in this province. Although such construction is urgent, it is obvious that rural and urban demands for an adequate network of highways is also worthy of study.

The Department of Highways informed the committee that the capital needs of King's highways, excluding municipal construction through to 1976, totals \$1.9 billion. The backlog at the present time, again excluding municipal needs in communities above 5,000 population, is \$782 million. I would like to point that out quite forcibly to the hon. members of the House that the backlog is \$782 million.

In addition to the above amounts we should add another 25 per cent. to cover the backlog and demand of municipal highways. We were advised that \$145.6 million annually for the next 10 years would have to be spent to catch up on the present backlog for King's highway needs alone, at 1955 costs.

What was most forcibly brought to our attention in our visits to different parts of the province was the urgent

need for a great acceleration of the present highway building programme in both rural and urban areas. At the present time 1,692,363 vehicles are registered in the province, and with that continued increase it is not difficult to understand what the economic value of a new and improved highway system would mean to this province. The present tempo of construction is not sufficient to keep up with mounting demands, and as a result we have fallen behind in providing roads and highways.

Another thing that I think has contributed to our backlog, as the hon. Leader of the Opposition (Mr. Oliver) mentioned the other day, is the insufficient number of engineers that we have in The Department of Highways today. I would certainly go along with what the hon. Leader of the Opposition said, that this province and The Department of Highways certainly need a great number of additional engineers if we are going to catch up on the backlog and supply the province with the roads that are needed at the present time.

The hon. chairman of the committee dealt with a number of recommendations this afternoon, and I am not going to refer to these recommendations at this particular time, because I know I will have an opportunity to speak on them a little later on, and at that time I will go into the recommendations and give hon. members certain reasons why we formulated them and put them into our report.

The hon. chairman of the committee did say to hon. members this afternoon, in summarizing the position of the automobile owner at the present time, the average driver who travels 8,000 miles, with the present gas tax of 11 cents, pays \$44.00 in gas tax. For the average motorist, it was pointed out to us, the registration fee was \$13.00 plus a few cents, which means he contributes \$58.00 to the province.

Then the chairman went on to explain what the motorist pays in insurance, \$65.00 annually, which covers public

liability and property damage, as well as fire and theft; collision insurance, of course, would be extra and the average motorist today, if he is living in an urban centre, will pay about \$120.00 for storage.

We are, I think, ready to offset depreciation charges on our automobiles at anywhere from \$200 to \$300 per year. The repairs and maintenance on our cars will run over \$100 on the average. As has been pointed out this afternoon by the hon. chairman, I will have to go along with the fact that the users do not pay as much to the province when one compares what they pay in insurance and other privileges to operate their automobiles.

Gas tax breaks down as far as equity is concerned when vehicles approach the gross weight of 18,000 pounds. That has also been mentioned by the hon. chairman. The passenger car obtains approximately one-quarter of the ton-miles of use compared to the 34-ton vehicle for the same amount of gallonage tax. This is something that was very interesting to me, as a member of the committee.

We visited Ohio, and the studies made there revealed that the required thicknesses of pavement, for different weight vehicle classes, differed considerably. For a typical two-axle truck weighing 6,000 pounds loaded, a pavement 4 inches thick is required. For a similar type vehicle weighing 13,000 pounds, a 7-inch thickness of pavement is required.

So hon. members can see it is readily understandable that the heavier the vehicle travelling our highways today, as the hon. chairman of the committee said, the heavier the road base must be. Also, as has been pointed out in this report, there has to be a thicker pavement if it is going to stand up under the heavier weight.

It is the opinion of those who appeared before us that all vehicles should share the cost of the first 4 inches of pavement as well as the base and other component equipment, and the heavier vehicle owner, as well as sharing the cost of the first 4 inches, with the company of other

heavier weight groups should share the cost of the extra 3 inches.

The hon. chairman mentioned in his remarks that we have at the present time 7,306 vehicles registered in the weight class of 13 to 14 tons. I would like to point out that the group from 18 to 19 tons in 1946 had no vehicles registered; in 1952 they had no vehicles registered, but in 1956 there were 2,178 vehicles. That goes to show that the trend is for much larger vehicles in this province. The report points out that they are going into larger vehicles because it is more economical for them to operate than are the smaller vehicles.

Another thing I would like to point out is that if the recommendations of this committee are followed through, there is going to be an adjustment in the different registration fees for these trucking companies and the individual trucks. We might as well make ourselves aware that it is a very great financial burden on the truckers of this province to have to go into the department offices on the first of the year, or on the date to which there is an extension, and put down the total registration fees plus their PCV licences at one time. I think that is too much of a drain on some of those companies and certainly hinders them in their capacity to produce. It is time The Department of Highways officials realized the penalty they are putting on the trucking industry in that regard, and they could very well give the operators an opportunity of paying the fees on a quarterly basis. We will have more to say about that on a later debate and, as I said, Mr. Speaker, I was just going to speak in general lines; I will go into the report a little more fully later on.

MR. D. C. MacDONALD (York South): Mr. Speaker, may I at the outset echo the acknowledgements of the hon. chairman of the committee in his thanks to various civil servants and various people in other jurisdictions where this committee travelled, for the very great degree of co-operation that the committee received.

There is only one among that group whom I would like to single out, and that is the secretary of the committee who did a very efficient and faithful job in terms of the normal arrangements of the committee, but even more than that, there must always be somebody, when a committee is busy accumulating literally hundreds of documents and thousands and thousands of papers, who will sit down and perform the task of sorting them out so that there can be an intelligible approach to the job. The man who did that was our secretary, Don Collins, and certainly he earned the thanks not only of the committee itself, but of the Legislature.

I would like to add briefly, since the hon. chairman of the committee obviously could not include himself in the thanks, that no matter how many committees I shall ever have the opportunity of sitting on, I do not expect ever to be able to sit under the chairmanship of a person who did the job more efficiently and more congenially.

We had our differences at times, but I think we tackled what I suspect was one of the most difficult tasks ever assigned to any committee of this Legislature. It required a very intensive degree of work to try to sort out these extremely complex problems, and it is possible, even after our sorting out, that the report will not altogether be readily intelligible to the reader.

Mr. Speaker, unfortunately I could not see my way clear to sign this report, and I do want to say this—and I say it in all sincerity—that I derived no particular satisfaction out of dissenting, so to speak, and not signing it. I want to say that to the hon. chairman and the other hon. members of the committee and the hon. members of this Legislature. After one has gone through this intensive kind of work—which was close to being a campaign rather than a series of committee sessions—one develops a certain *esprit de corps* and a certain feeling of teamwork, which, personally, I do not relish having to break.

But in the interim report of this committee last year, we attempted to cover

up some basic differences that had emerged even at that time by the verbal expression of agreement, and the net result was a misunderstanding which resulted in rather futile bickering.

I feel it would be much more useful if we acknowledge these differences, and state frankly where we stand on them, rather than leave ourselves in the position which would lead to more bickering. Therefore, I want to devote my comments this afternoon pretty strictly to the reasons why I felt that my disagreement with the majority decision was sufficiently great that I could not sign the report.

My first reason is this: I am opposed to toll roads, and the rest of the committee appears to favour toll roads, at least in principle. I am not going to go into the details of why I am opposed to toll roads: basically, it is the economics of toll roads. I did that last year, because we had reached that stage of the report. I shall sum it up, that toll roads are more costly to finance, they are more costly to build and they are more costly to maintain; and since roads are already expensive enough, why make them more costly?

If hon. members want conclusive proof that toll roads are the most expensive way to build these modern highways, I think they have it in the fact that if they translate the normal toll fee paid on the American highway today, or what would be paid in Canada, into a gasoline tax, it would represent an increase of 25 cents per gallon of gasoline.

I would like to ask if there is any hon. member in this Legislature who would normally entertain for one second that kind of proposition.

While continuing to support the principle of toll roads—this is the feature of the report that puzzles me, quite frankly—while continuing to support the principle of toll roads, the committee recommends that the whole existing highway structure, as well as the projection of that highway structure insofar as highway No. 401 is concerned, should not be tolled; that it should be maintained as a freeway.

As a matter of fact, if hon. members look at this very interesting map facing page 29 in the report, they will see it is named proudly, "Potential Traffic Volumes on Proposed Freeway System." Frankly, to continue to pay lip service to the principle of toll roads, while recommending that none of the existing roads in the province, or even the projected roads as far as highway No. 401 is concerned, should be tolled, represents a kind of logic which escapes me.

In fact, the majority report of this committee not only ceases even to pay lip service to toll roads, it goes even further. It has backed away from the principle of tolls as a means of financing, to the extent of making an alternative proposal, which is set out in detail on page 43. Let me read these two or three sentences:

Bond financing kept to reasonable proportions together with moderate increases in user charges will pay the cost of an accelerated programme of highway construction.

And later:

The province should resort to credit financing only when user revenues are inadequate for major capital expansion.

Finally:

In effect The Department of Highways would be financed in a similar way to the Ontario Hydro Electric Power Commission, and the users of the highways would be assured that tax payments were applied to the maintenance and development of the road network and that diversion would not be possible.

So that, if the principle is not applied to any of the existing roads, and another way of financing highways is presented as a basic alternative, I repeat, the logic escapes me as to why the committee continues to pay lip service to the principle of tolls. It may be there will be an exception come up as between here and Hamilton, but it will be an exception to prove the rule that the toll principle

does not have general application in the province of Ontario.

The committee—if I may move on to the second phase of the subject to which I would like to refer—discussed 3 special structures on which tolls may be placed, namely, the causeway on the proposed highway link between Atikokan and Fort Frances in the Rainy River district; secondly, the Burlington skyway; and thirdly, the bridge over the Welland canal at the junction of the Queen Elizabeth Way and highway No. 8.

The committee recommended against tolling the causeway, with which I agree. The committee recommended the tolling of the Burlington skyway and the Welland bridge, with which I do not agree.

I do not agree, because I think the Burlington skyway and the junction of highway No. 8 and the Queen Elizabeth Way over the Welland canal have existed for years as bottlenecks on the original 4-lane highways built in this province. They have already constituted an inconvenience to traffic generally, but particularly to people who happen to live in the area. It is an inconvenience that has gone on for years and years, and there does not seem to me to be any particular logic in the proposition of imposing the continuing penalty of tolls, particularly upon the people in the local area, so that at this late date a bottleneck could be removed.

In addition to that, though, Mr. Speaker, I want to draw the attention of the House to the fact that this section of the report—like the earlier section, dealing with toll roads, which the committee favours in principle and opposes in practice—is shot through with inconsistencies.

For example, in the case of the causeway up in the Rainy River district there would be no alternative route. This is given as one of the reasons against tolling the causeway, because, as hon. members will recall from the discussion last year, it is generally

accepted that in any tolling there should be an alternative free route. There is no alternative route for the causeway.

I would draw the attention of hon. members to the fact that in the case of the bridge over the Welland canal, unless the federal government maintains that existing bridge—which is, I repeat, a serious bottleneck—there will be no alternative; so that so far as we are concerned the alternative depends upon the action of the federal government.

AN HON. MEMBER: They will look after it.

MR. MacDONALD: The hon. member says they will look after it. Perhaps at the same time we might have an assurance that they will share more fully in highway costs.

There is another point I want to draw to the attention of the hon. members. One of the reasons advanced for a toll charge on the Burlington bridge is that it would make American tourists—or to use the phrase of the hon. chairman of the committee, “out-of-province” traffic—help pay for the cost of the bridge. Well, I think that if ever there was a structure which is going to be used by the greatly induced American traffic, it is the causeway up in the hon. member’s district of Rainy River. Yet, tolls are not recommended for it.

As I say, this section of the report is shot through with inconsistencies. So far as I am concerned, Mr. Speaker—and let me conclude this section of my comments in this way—toll roads and toll bridges are a throwback to an age and a time which I thought, and I think a great many people thought, we had escaped from once and forever.

There is no particular advantage in going back to that age, particularly since the basic recommendation of this report is that we maintain our highway system as a freeway. Let us keep it a freeway, and I suggest that if it is kept a freeway, the hon. Minister of Travel and Publicity (Mr. Cathcart) will have

as great a single attraction as anything else for American tourists.

I move on now to the question of highway financing. I just want to touch on a couple of background points, to emphasize basic features to which the hon. chairman of the committee has already referred. First is the incremental cost theory which the hon. member for Stormont (Mr. Manley) has touched upon in his explanation that beyond the basic 4 inches of pavement, the cost should be shared only by the heaviest traffic — that is, that the extra cost should be shared only among the heavier transports.

This is the theory of sharing out the costs of the highway in an equitable way amongst those using the highway.

Mr. Speaker, I direct the attention of hon. members to a survey of the present division of costs for highways, made in the state of California. From this careful study — and we have been told by people who are in a position to know, that it is generally applicable for Ontario and New York state—we learn that in the state of California, 52 per cent. of the costs of a 4-lane highway are derived from the requirements that must be put in that highway to meet the needs of only 4 per cent. of the traffic, namely heavy transports.

In other words, Mr. Speaker, it simply boils down to this, that the cost of our modern 4-lane highways are virtually doubled due to the requirements of a road that will stand up to all the wear and tear that comes from heavy trucks. As the hon. member for Stormont has pointed out, this is the one aspect of our traffic that is developing most quickly at the present time.

The second background point that must be borne in mind—this too has been touched upon by the hon. chairman —is that the gasoline tax, as an equitable means of raising highway revenue, is collapsing in front of our eyes because of different kinds of fuel, because of different kinds of engines and, even more important, in technological changes that are coming in the development of engines.

The gasoline tax at the present time is not an equitable tax; and if one looks forward — as the hon. chairman of the committee looked — to the prospect of atomic power, then the gasoline tax at that point will become completely obsolete. As the hon. chairman pointed out, we had the astounding situation just two or three weeks ago of the first American atomic-powered submarine coming home for refuelling for the first time in two years after travelling 55,000 miles. Such developments are going to wipe out our whole highway-revenue approach of the present time.

In fact, if hon. members take the highway revenues as they exist at the present time and translate them into tons and miles of travel — that is, into the ton-mile tax, which is the most equitable way of raising highway revenues — if we take highway revenues at the present time and translate them into that, we find that the average passenger car owner today is paying something over 5 cents per ton-mile of travel, while the operator of the largest size of transport is paying something less than 1 cent per ton-mile of travel. It is the tons carried and the miles travelled that create the cost of the road, and particularly the wear and tear. That is the reason why the committee's report — and here I think was a point on which there was unanimity — emphasized the desirability of working as quickly as possible towards the establishment of our highway revenue on a weight-distance basis. Until we get it on a weight-distance basis, we cannot hope to cope with the present inequities, or the new inequities arising from technological development and new kinds of fuel. With this aspect of the report, in working towards a weight-distance tax as quickly as possible, I agree.

The committee report, however, offers a sort of alternative in the meantime — a general increase in the gasoline tax combined with a stop-gap measure for taxing heavy transports. This stop-gap measure is a rough and ready attempt to place revenues on a weight and distance basis by revising the present registration fees for heavy vehicles so

that they will be more in accordance with their share of the cost of the roads, and combining with this revision in the registration a graduated fuel tax, graded upwards on heavier vehicles. In this way, we would raise more revenue from them.

There are many elements of this approach that I can agree with, but I have some doubt as to whether this kind of stop-gap measure is not administratively just as difficult as a weight-distance tax. Therefore, why should we waste time experimenting with a stop-gap measure for years instead of moving as quickly as possible to the weight-distance tax?

There were other factors which were, in a sense, outside the work of this committee, but which, as far as I am concerned, influenced me greatly regarding this aspect of the report. About 3 or 4 weeks ago there started to appear in the province wide-spread stories that there was going to be an increase in the gasoline tax.

These stories, I think, reached their climax in that authoritative journal, the *Globe and Mail*, a week ago Saturday where there appeared, almost verbatim, a story of what was going to come down in this report before the members of the committee had even seen the final draft. Some two or three days after that — on February 12th — the Toronto afternoon papers each carried a story in which it was stated quite flatly, on the basis of sources at Queen's Park, that the government was going to increase the gasoline tax.

Now, Mr. Speaker, I know that it is very easy to malign newspapermen about things of that nature, but I happen to know something about the way that newspapermen operate; and when two afternoon newspapers appear with the same story about something based on Queen's Park sources, there is likely to be some justification for it. Where there is smoke there is likely fire; and, therefore, I do not think these stories can be dismissed as readily as some are disposed to dismiss them.

If this is a reflection of government thinking, then this aspect of the com-

mittee's report is not a recommendation at all, this aspect of the committee's report is nothing but an endorsement of a government decision that has received everything except formal announcement. So far as I am concerned—

MR. LAVERGNE: No, no.

MR. MacDONALD: The hon. member for Russell (Mr. Lavergne) is usually up on those things, so presumably he knows better on that score.

AN HON. MEMBER: Anybody would know better than the hon. member knows.

MR. MacDONALD: The second important aspect of the committee's recommendation is that the gasoline tax should be coupled with—it is a sort of package deal—should be coupled with the stop-gap measure of revised registration and graduated fuel tax.

Well, all hon. members have to do is to go back into the record of the committee, and they will find—in what I think were the public sessions of the committee—views expressed by the top civil servants of this province who came before this committee testifying with regard to this weight-distance principle. The views of these top civil servants ranged from outright opposition to, in one instance, such caution with regard to it that it was suggested that it would take something like 5 years to establish the administrative machinery.

If that is the case, Mr. Speaker, what we are faced with is this prospect, that the government is going immediately to increase the gasoline tax, with the prospect of indefinite postponement of any application at all of the weight-distance principle.

If that happens, for the reasons that the chairman of the committee has already indicated, the increased burden of the gasoline tax will fall 90 per cent. upon car owners. That would mean that the present inequities of our highway revenue would become even greater, and

I for one am not going to be bound by signing a report and appearing to support a proposition which may be implemented piecemeal. We know the kind of influence that the truckers' association has had in other jurisdictions, and I am not yet persuaded that their influence is not great enough to pressure the government into postponing any weight-distance tax for some time.

Now, finally, Mr. Speaker, just let me deal with this one point which the hon. member for Stormont touched upon. We have reached the time in coping with this admittedly colossal problem of highway construction in the province of Ontario when we must stop to examine the whole question of the amount of money going into it, and what proportion of our overall budget it represents.

In other words, how far are we going to continue expanding our highway budget when it is already, in my opinion, receiving a disproportionate share of our revenues? For example, since 1952, the highway budgets of the province of Ontario have increased from \$52 million to a figure that was projected by the hon. Minister of Highways (Mr. Allan) in his speech in St. Catharines recently to something over \$200 million.

In other words, in 4 to 5 years the highway budget in the province of Ontario has increased by 300 per cent. To take just one example—and I will not deal with others which the hon. member for Stormont picked—but to pick just one example, in that same period the education budget in the province of Ontario has increased by, approximately, 50 per cent. Now, I can, without any difficulty, make just as convincing a case for a backlog of needs in schools and education as for a backlog of needs in highways.

MR. J. A. MALONEY: I thought we were discussing this report.

MR. MacDONALD: So we are.

MR. MALONEY: It does not appear that we are.

MR. SPEAKER: Order.

MR. MacDONALD: And therefore, Mr. Speaker, my point that the hon. member for Renfrew South is incapable of grasping, apparently, is that it is a legitimate question to ask how far we are going to expand our highway budget.

MR. MALONEY: It is Renfrew and not Renfew.

MR. MacDONALD: As usual, Mr. Speaker, the hon. member for Renfrew South thinks he is a wit. As a matter of fact, he is half right.

MR. MALONEY: Which is considerably more than the hon. member for York West, York South.

MR. SPEAKER: Order.

MR. MacDONALD: I thought, Mr. Speaker, I was going to get through this without any problems, but they have arisen again. However, I am very close to the end. My final point is simply this, I think we have to examine some of the priorities in our budget, and when we have a 300 per cent. increase in the highway budget, while only a 50 per cent. increase in the education budget, I suggest we have our priorities a little twisted.

As far as I am concerned—and I think most of the people in this province will agree—education is, at least, as important as our highways. I have my own suspicions—suspicion-minded as I am, as the hon. Prime Minister (Mr. Frost) says every now and then—as to why this is the case; as to why the Tory government is willing to expand a highway budget while the education budget sort of chugs along with great difficulty.

HON. MR. FROST: May I point out to the hon. member—

MR. MacDONALD: May I point out why?

HON. MR. FROST: May I point out to the hon. member the budget for education has expanded about 10 times while that of highways, 3 or 4 times.

MR. MacDONALD: In the 4 or 5 years I have talked about, there has been a 300 per cent. increase in highways, and a 50 per cent. increase in the education budget, and I have my suspicions as to why: there are no slush funds in school grants, but the oil that keeps the party machine going comes from highway contractors.

MR. MALONEY: We have the budgeteers, the profiteers and the bare-foot millionaires.

MR. MacDONALD: Now, Mr. Speaker, I do not want my final point confused in this interesting back chat. We are discussing the highway needs of this province. If we had unlimited sums, we could, obviously, spend those unlimited sums, but we have to ask ourselves if we have not gone sort of "hog wild" already at the expense of our other budgets.

Certainly, with a 300 per cent. increase in a budget in a 4 or 5-year period, the province of Ontario can never be accused of neglecting highway needs—granting the needs are so great, as in education—that they cannot be fulfilled completely.

And may I draw attention to this: if we are to continue spending this 300 per cent. increase, roughly \$200 million a year, then our present highway revenue, augmented by an increase through a weight-distance tax being applied and levied, would come very close to meeting this kind of budget. In fact, in two or three years our highway revenues will completely meet a \$200 million budget. So my final point is that, desirable as it may be to meet all highway needs, great as they are, before expanding our highway budget still further to do that, I think the time has come when we have to re-assess our overall budget.

I shall leave any further comments regarding the specific recommendations, many of which I would agree with, until a later date.

HON. MR. FROST: May I ask this matter be placed upon the order paper and in so doing, Mr. Speaker, might I just add the thanks that have been expressed, at least by some hon. members, to those hon. members on this committee. And, I might also say, Mr. Speaker, to those on the committee in relation to air pollution and other types of pollution, we express our thanks for the care and pains they have gone to in arriving at these reports.

Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

Motions.

Introduction of bills.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. Report of the Commissioner of Agriculture Loans for the fiscal year ending March 31, 1956.

2. Financial Statement of the Settlers Loans Commission ending March 31, 1956.

MR. A. H. COWLING (High Park): Mr. Speaker, with your permission, I would just like to draw the attention of the House to one of Toronto's great radio stations; radio station CFRB is celebrating its 30th anniversary today. They have been in business since 1927, and they have provided a great public service throughout the province. I know all hon. members are familiar with the great job they have done here, and also in promoting our best interests across the line. So, on our behalf, I would just like to extend all good wishes to the management and staff of Toronto radio station CFRB.

MR. A. WREN (Kenora): Mr. Speaker, before the orders of the day, I would like to direct some questions to the

hon. Minister of Mines (Mr. Kelly), a copy of which he has received some two hours earlier, so he will be fully acquainted with my questions which are of importance to my section of northwestern Ontario:

Norpax and Eastern Mining and Smelting are two mining companies contemplating erection of mills of at least 1,000 tons per day capacity on each property. The general area and the area which a mining access road would tap between existing highways in the Kenora section of the Kenora district and the Werner-Tiger Lake area also contain excellent geological formations for base metal.

The Manitoba government has in the past requested and received contributions from the federal government for such roads, for example, the Snow Lake Gold mine area of northern Manitoba.

The Manitoba government has already approached the federal government for a share of the cost of building an access road to the Ontario boundary with a view to providing access out of Ontario and into Manitoba from the Norpax and Eastern Mining and Smelting properties, and the Manitoba government is prepared to proceed.

Meanwhile, under the terms of present negotiations between the companies and Ontario, the companies would find it cheaper to bear the whole cost of the road on the Ontario side and tie in with the proposed Manitoba road.

On Wednesday, February 13, I raised this matter in my address in the Throne debate, and on Thursday I interviewed the hon. Minister and he was left with Ottawa correspondence which states that "the province of Ontario has never asked the federal government to contribute to an access road to a mine." The hon. Minister promised an immediate proposal to Ottawa.

As of today, no request has been made to Ottawa for federal assistance. Meanwhile, I am authorized by the consulting engineer for Norpax (Mr. W. P. Mackle) to state that his board of directors wish him to proceed at once with a

road to the Manitoba boundary and thus, in effect, accept the proposal of the Manitoba government. Projected long-term contracts with European metal interests require an immediate start on an access road, as the cost of air transportation into the Werner Lake area would make mine construction costs prohibitive.

If inaction on the part of Ontario should prompt this action by the company, Lac du Bonnet and Manitoba generally would reap immeasurable economic benefit from development of these properties, not only from these properties but also from other discoveries which may well follow.

Federal participation would keep the road in Ontario at no additional cost to Ontario. I do not want to see this benefit lost to my own riding and to the province of Ontario as a whole.

Therefore I ask the hon. Minister of Mines to clearly state the following:

1. What action he has taken to provide this access road.
2. The date he will make an official request to the Government of Canada for federal assistance on this project.
3. The date he will advise the companies concerned that a road will be proceeded with.
4. Why it has not been policy to request federal grants for mining access roads in Ontario.

HON. MR. FROST: Mr. Speaker, this copy, because it concerned other departments, was handed to me just a few minutes ago. I would answer the questions as follows:

First, if it is the policy of the federal government to contribute to access and mining roads, it has been very carefully concealed from us. As a result of the hon. member's statement in this House a few days ago, we have written to Ottawa asking for a definition of their policy. May I assure the hon. member we have no inhibitions concerning the acceptance of such grants, in fact, the contrary is the situation.

Reply to No. 2 is this: The hon. member mentioned certain correspondence with Ottawa. He mentioned that in his statement. Would the hon. member table the correspondence in question, as it might help in the Ottawa negotiations?

Thirdly, concerning the road in question that he is discussing, it would be like the hospital of yesterday — we will decide upon it in due course and on its merits.

MR. WREN: May I say this correspondence was given to the hon. Minister of Mines last Thursday. I gave him the entire letter.

HON. MR. FROST: May we use that; have we the hon. member's permission to use that correspondence in our negotiations with Ottawa?

MR. WREN: The portion of the letter dealing with mining access roads, I have no objection to it being used.

HON. MR. FROST: It all deals with mining access roads.

MR. WREN: I will read it into the record if it is so desired.

MR. MacDONALD: Mr. Speaker, before the orders of the day, I would like to address a question to the hon. Prime Minister.

News stories have indicated that Nathan Tanner, president of Trans-Canada Pipe Lines and C. S. Coates, former Texan and general manager of the Trans-Canada Pipe Lines, have exercised their option of taking up, respectively, 55,000 and 50,000 shares at \$8 a share when these shares were put on the market just a few days ago. Because of the public financing of this and the underwriting of the profits of the company, it has already become a bonanza, and the \$8 shares were at \$10 the first day on the market, and they are now \$15 to \$20, and when they become \$27 a share, each of these gentlemen will have made \$1 million, tax-free.

My question to the hon. Prime Minister is this: at the time the government entered negotiations to assist in the financing of Trans-Canada Pipe Lines, was the government aware of the fact that top officials in Trans-Canada were in a position to make these kinds of fantastic tax-free profits?

HON. MR. FROST: I may say to the hon. member, first of all, we have here no information whatever concerning any arrangements of the officers, officials or others with the company; we have no information here concerning the underwriting of the stock or the arrangements which were made.

I may say we have no information here that any one has made \$1 million or one million cents.

MR. MacDONALD: They are half-way to it already.

HON. MR. FROST: It depends on the underwriting arrangements with which we are not familiar. Mr. Speaker, at no time has this government had any negotiations whatsoever with Trans-Canada Pipe Lines. We have no agreement, there is no contract or privity of contract with them, our arrangements are entirely with the federal government and relate to an arrangement that was made between the federal government and ourselves with which the hon. member is familiar.

MR. SPEAKER: For the orderly carrying on of the business of the House, may I ask that hon. members restrict themselves to questions that they have given me in writing and not bring up new questions.

Orders of the day.

ADDRESS IN REPLY TO THE SPEECH FROM THE THRONE

MR. R. GISBORN (Wentworth East): Mr. Speaker, in rising to take part in this debate, I wish you well and the best of health in your honoured position for many years to come.

The speech from the Throne mentions several phases of our provincial responsibilities which, if given favourable consideration, would bring many benefits to the province of Ontario. I feel that the proposed government hospital insurance plan and the mention of further financial assistance to the municipalities and some consideration to municipal reforms are going to be of immediate importance.

We of the CCF party are gratified that something we never doubted should be given to the people, is at last receiving some consideration and more than just promises. We are gratified, that in the face of strong opposition from many sections of our society the health insurance programme has at last begun.

I would say to the hon. members of this House that the CCF shall continue to press for a national, compulsory medical health programme which will include all of our people across the country, and will provide the medical, surgical, mental, diagnostic, preventative and remedial care to which they are entitled.

It has been apparent to me in the last several years, that when the CCF party attempts to bring before the various levels of government, and to the people as a whole, suggestions to remedy some of their needs on the welfare front, that there is very little consideration given to it. Then, again in the long run, when one studies some of the official investigations that are made in regard to many of the larger problems, one finds that in a lot of cases the principle was borne out. We say that the proof of the pudding is in the eating.

I would like to quote, in regard to the health programme, from a sickness survey which was conducted by the federal government in 1950 and 1951 and it says this:

Money may not buy good health, but illness is a lot worse without it.

That is the gist of the ninth report released by the Bureau of Statistics on results of the Canadian Sickness

Survey of 1950-51, the most thorough medical check-up any nation has ever undergone.

All Canadians, rich and poor alike, are laid up an average of twice a year by illnesses that are serious enough to keep adults from their work and children from school.

The difference is in degree—how serious. Among families whose annual income is \$3,000 or more, illness disables the average person about 10 days a year. But among those whose yearly earnings are under \$1,500—and this takes in nearly a fifth of the population—the loss is almost twice as great, 18 days.

Significantly, 61 per cent. of the \$3,000-and-over group get health care of some kind in any given year. But among the poorer classes—the very people who get sickest—only 45 per cent. receive any care.

I think the hon. members should study some of these reports and let their attitudes be guided by them through the hospital care insurance.

Mr. Speaker, the mention of further consideration to municipalities is indeed encouraging, for with thriving municipalities we are bound to have a thriving province, but I would say that with these problems the only equitable, fair and proper manner to deal with these is for this government to set up a provincial-municipal conference so that the representatives of the many municipalities could meet with the hon. members of this Legislature and there talk over their many problems. They all would have an opportunity for their remedial suggestions to be considered one by one.

The province of Saskatchewan has taken the lead in this field, and I am sure that the results of that conference, the first one in Canada, will go down in history as a milestone in the progress of that province.

I would suggest that this government could give some immediate aid to the municipalities which would be of great benefit to the citizens of this province

and particularly the older citizens and that would be to pick up the "tab" for the full \$20 supplement for the old age pensioners who qualify and are in need.

I would like to make quick reference to the speech last week by the hon. member for Parkdale (Mr. Stewart) who I feel made some very constructive points, he did a fine job. However, I would refer to the old age pensioners and his main point was this, that we should change our terminology of the old age pension, we should refer to the old age pension as a security to our elders or something of that type. That was his contribution to the need for assistance to the old age pensioners.

The hon. member for Wentworth (Mr. Child), when he referred to old age pensions, remarked that it was not the money that they needed but the spirit in which it was given.

I think it would be better for some of the hon. members not to refer to the problems of old age pensioners at all, I think they could ease their conscience if they would stop expounding the theory that if some one else throws a drowning person a lifebelt then we will pull on the rope.

If the government would give to each pensioner in this province who has no other income a supplement of \$20, they would not care if they called it the old age pension, the old crocks' pension, or the worn-out pension, they would not care as long as they got the \$20 even if the name was written right across the cheques. I think all they are interested in is a little more money and not so much talking. If this was done by this government it would mean \$30 a week which would give a couple on old age pension and full old age assistance, an amount of \$120 a month.

I know most of the hon. members have the opportunity and likely some of them have read the fine booklet put out by a reporter from the Toronto *Daily Star* called "Fourteen Days as an Old Age Pensioner." I am sure it had a lot of truth in it but not too much consideration was given to it. I would like to say

something about what happens to some of the old age pensioners in the Hamilton area, and it is in a write-up by a reporter in Hamilton who has shown some interest in their plight. He says:

The bulldozer and wrecking bar are ravaging Pension Acres.

Grimy, dilapidated buildings in downtown Hamilton are coming down to make way for a "new look."

Many of the ramshackle lodgings and cold water flats are "home" for city pensioners who will be faced with the problem of finding other accommodation they can afford on their meagre \$40 a month pension from the government.

For many, patience is the only "weapon" left in the battle for existence. Unkempt hair and tattered clothing are just two of the visible signs of their losing fight to maintain a decent standard of living.

Last Thursday was pension cheque day. It marked the start of another month-long struggle that, for many, will end in enforced genteel begging as the few dollars they receive rapidly disappear in rent payments, food and the necessities of life.

It goes on to give the problems of the pensioners in that section of town. While some may say that they could apply for some supplementary allowance, this type of person is not given recognition even if they do apply because the welfare department of the municipality have a problem just to look after those who are in homes and with families. It goes on to say, referring to one particular person:

His ace-in-the-hole is the Salvation Army or as he calls it the Sally Ann. If it gets too cold where he lives he can go there. But he says he'll have to move in and out every night if he wants to stay. They help him out with clothes and food, too, when he's in a spot.

The lady supervisor of the club stressed that this man is not a loafer or an unworthy person. He is a pen-

sioner, just that—"and a fine Christian man," she added. He worked in Hamilton 62 years.

Then it goes on to say—I do not want to bore anyone but I do think this is very important:

Faced with the loss of his home, however, the pensioner may be driven from his cherished freedom.

All ask that only a little more money be given them from the government. Some say they could scrape by better on \$50 a month—some ask \$60. But the crucial problem of housing can only be answered, one old gentleman said, by city operation of a low-rental unit of some kind.

Mr. Speaker, sometimes I find it difficult trying to explain the attitude of some of the hon. members towards the needs of our people in this province, and I do feel that either they should not mention their problem or come down out of their "ivory towers" and get their feet on the ground.

I congratulate the hon. mover and the seconder of the motion to adopt the speech from the Throne for their fine work and effort in preparation. I think they have done a splendid job and were very effective, as was their intention, in referring to the policies of our federal government. I agree with what has been said in this House before, that every hon. member should try to do a job for this province of Ontario. We feel it is our responsibility. The hon. member for Port Arthur (Mr. Wardrope) dealt at some length with his anticipated increase in the great production and processing of our natural resources in the great north, and I feel sure, as he expounded on that in his own fashion, that if the province of Ontario receives a fair share of this anticipated increase, then we will be able to look after some of our financial problems a little better. I think we do get our share but, as has been mentioned in this House before, some hon. members do not think so.

Mr. Speaker, I listened with a great deal of interest to the fine speech of

the hon. member for Riverdale (Mr. Macaulay) and his fine analysis of the problems of our province, and of the federal-provincial tax agreement. As to whether his figures were accurate or not, I am not sure. Some hon. members do not seem to think so. Nevertheless, I feel it was a fine speech and I want to congratulate the hon. member on his forthright manner wherein he suggested this government find methods of raising more revenue, namely, through gasoline tax, which I do not feel I am in favour of, and he named the liquor industry, mining and forestry and corporation tax.

I do not know whether it was coincidental or accidental, but those same sources were mentioned as a method of raising more money by the hon. member for York South (Mr. MacDonald) last year, and have been mentioned years ago by other hon. members of the CCF.

I want to refer to the speech last week of the hon. member for Hamilton East (Mr. Elliott), and I would say I do not feel I have heard or read a speech that has contained more self-interest. I do not say it to appear impolite, but I try to understand the attitude of some of our hon. members towards the needs of the people of our province.

The hon. member for Hamilton East in his speech last year dealt mainly with the great hydro development in this province and the air pollution, which he should be familiar with, being a member of the committee. However, he said nothing about the needs of the people, particularly the needs of the people in his own riding, made up mainly of working people. During the debate on the estimates of The Department of Planning and Development, the hon. member for York South told this House of the need for more low cost low rental housing in this province. The hon. member for Hamilton East rose with some agitation and proceeded to take down the hon. member for being a "cry baby." Here is what he said:

Mr. Chairman, I think the hon. member for York South is a bit of a

cry baby, but we must remember that those who cry the most do the least.

He goes on further and says:

I am not going to speak about Toronto because I do not live in this area, but in the Hamilton area you can go up and down the side roads and by-roads within 10 miles of Hamilton and find literally hundreds of workmen building their own homes. You will find their wives are out with them at night, mixing mortar and so on.

There are hundreds of these people who are building on an acre or two acres of land for which they can get \$800 from the National Housing Administration at 10 per cent. down, and all they need is the land.

You will find people in Canada are not as unaggressive as the hon. member for York South says: they go out and do things for themselves.

Mr. Speaker, I am sure the hon. member for Hamilton East does not like and does not agree with a lot of the people with whom he associates in Hamilton—the building contractors—when he says that he likes to see people building their own homes. The hon. member for Hamilton East in his speech last week wailed about the “tight money” squeeze, and he cries out about the tight money squeeze because the low income earner cannot borrow money to buy the homes he builds.

The hon. member says he has backed down from his argument about homes. I suggest he has backed down only to the extent that he does not want them to buy the high-priced homes he builds, but to rent the high-rental apartments and homes he wants to build because in no place in his speech does the hon. member mention low-rental homes.

The low income earner has been in a tight money squeeze for a long time, and, as I said in my speech last year, they have made a great contribution to our economy and have used their purchasing power to its fullest capacity, but now the tight money squeeze is

hurting somebody else as well and they are wailing to the housetops.

The hon. member for Hamilton East stated in his speech that our young people have borrowed 80 per cent. to 90 per cent. of the down payment on a home from their friends or relatives and very few have ever failed to find a house. I suppose the hon. member suggests that the government loan to married couples \$1,000 so that they can put it down on a house and that then they would only have to borrow 50 per cent.

I suggest the hon. member is crying all right, but I suggest, crying for the home building contractors and not for the low income earner.

I would like to refer to his project: he said this in his speech:

If I might just give the House a picture of what I had in mind, I had the idea of building in Hamilton 250 rental apartments, and I had the plans and the specifications all ready, had the land to put them on; but the planning and the zoning of the city of Hamilton and people in the district did not see eye to eye with me, and, of course, the project was turned down.

I would say that there are going to be many reasons for a low cost low rental housing project, and I will mention some of them later, but I think we should listen to some of the experts and the people who work on some of these things, and I would like to read a little from a speech by J. S. Hodgson, director of the development division of the Central Mortgage and Housing Corporation, at the 19th annual conference of mayors and municipalities, in Hamilton, on August 21, 1956:

We Canadians have a habit of speaking about the youth and vigour of our nation, and we are justly proud of the pioneering spirit that has produced a great country in the forest primeval. Only a generation ago Canada was chiefly an agricultural country. Urban redevelopment therefore has an unnatural sound in our

ears. We readily see the need for redevelopment in ancient walled cities, and for rebuilding cities damaged in war, but it is something of a shock for us to realize that the cities of our young country are already old.

It is not merely that we have slums, dilapidated structures and overcrowded tenements. These we have in abundance. We have examples of urban blight that are not easily excelled in civilized countries. One house in every 12 in Canada is over 80 years old. The 1951 census showed that there were over 100,000 sub-standard houses in cities of over 30,000 population, and perhaps an equal number in smaller centres.

The slum clearance motive is one of the two themes underlying redevelopment. Some people attack slums because of sympathy, some because slums are ugly and some because they are wasteful. The slum clearance motive in these various forms has produced slum clearance projects in St. John's, Toronto, and Montreal.

Yet for some reason Canadians have not been inspired by this idea. Perhaps it has been thought that a young country ought not to be working on such a negative kind of salvage operation.

I would say that if the low income earner gets into a rental project, as the hon. member suggests, and for which I am sure the rents will be in the \$80, \$90, \$100, \$125 bracket, they will never be able to save enough money to buy their own homes — the ones the hon. member talks about.

If the hon. member is sincerely interested in homes for the low income earner, he should use his influence on the powers that be in Hamilton to do something to further a low rental housing project and to press for a low cost housing project, where we already have the services that are needed, and we could then really and truly give the low income earner the type of low rental home he needs, and maybe he could live in it long to save enough money to get

his own home. However, to suggest and expect this type of support from the home building industry would be asking too much.

I would like to say a word about expropriation, which is also going to create a need for a lot more low rental low cost housing. To deal with expropriation itself just for a minute, I would suggest that those of the government who can do it look into The Expropriation Act which, in my mind, lays out provisions for the municipality to acquire land for the benefit of the community as a whole, and where it will benefit everyone. I am afraid that purpose is getting a little slipshod because several projects which require expropriation are not going to be beneficial to the people as a whole, but only to certain sections of our society.

I want to mention one with which I am familiar; it took place in my own section, and I was personally affected by it. It took in some 42 or 43 homes, almost a complete block from a district called Ottawa Street. What they had done was to expropriate that property because of a large shopping centre that was built on the old Jockey Club grounds — and most of us are familiar with that in Hamilton — and that property was taken over by a big financier, and they did the job they intended to do: they sort of took the profit and the business away from the ordinary shopping district we had there.

It was brought to the attention of the authorities at that time that we would have a problem with the Business Men's Association if they allowed this project to go on, instead of making it into one of the finest parks in the city and a playground for the children.

Here we have a huge shopping project that was allowed to go on, and, finally, they discovered they had not the room for parking and that people were not buying the goods. So they applied to the municipality for parking space, and the municipality expropriated a section of the town in the area that takes in 40 houses — people who have helped to keep the Business Men's Association going

for many years—and they are going to pay for it on the basis of so much on their taxes.

The point I would like to make in regard to expropriation—and I am not opposed to it if the intent and purpose of the Act is lived up to—is that the Ontario Municipal Board should make some changes to this effect: that when they expropriate properties, particularly homes of working people, they should be responsible and see that those people get a fair break. The system, as I notice it, is this, that a by-law is passed one year and the people are notified that the by-law did not come into effect and they were under expropriation. The assessor from the city council visited the people and told them that they were considering offering them a price, and asked what they thought about it. In most cases—not all cases—the price was ridiculous and the people were left in confusion and not knowing just where they were going.

The main purpose of the assessor's job was to acquire those properties at the lowest possible rate. There was no doubt about that.

The people who did not understand this, or maybe did not have the money to secure a lawyer—a lawyer who was not connected with real estate—were left “holding the bag.” In many cases the people were confused and accepted the first offer, and as a result we have people living next door to one another where there is a difference of \$2,000 or \$3,000 in the price paid for their property.

If we are going to have the expropriation of working men's homes the government should be responsible to have some one do the valuation and make sure that the people get a fair break; because we will have a large expropriation of working men's homes in the west end of Hamilton in the near future. Many of these people—I think I can say without fear of contradiction—are elderly people, and their homes are maybe worth only \$5,000.

It is going to be quite impossible for them to get re-established without bor-

rowing money, or getting it by some other means; because they are small types of homes, and if they have to move, and if they are going to move into homes of their own, they are going to have to pay prices which they cannot afford, and maybe they are going to end up like some of the pensioners we have been talking about. So I would ask the government to take a good look at our Expropriation Act and see what is happening to some of the people who have been expropriated.

I feel I should have received more money, but there is always a little selfishness in everybody. Nevertheless, I got something that I thought seemed fair, although it did cost me a couple of hundred dollars to do it.

Mr. Speaker, I would like to deal with something which, I feel, would be of great importance and benefit in the Hamilton district and in the Niagara peninsula, and I want to commend The Department of Planning and Development, and the trade branch of that department, for their efforts to establish an economic planning association in that area. I did get an invitation to attend the first meeting to discuss the programme, which I attended; and I want to say that I was certainly disappointed that there were not more of hon. members from that district there to help support the plan.

The minutes from the first session are to the effect that the details of the government programme were outlined very ably and in a good manner by the Director of Planning and Development. Then followed a discussion period. All in attendance were invited to participate in the discussion. Much of the discussion centred around the necessity for co-ordinated and regional planning, and the problems of urban expansion into the rural areas of the Niagara peninsula.

Mr. Speaker, I have mentioned that I was disappointed that there were not more hon. members from the government there to support a project that this government, and even the hon. Prime Minister (Mr. Frost), had recommended as being a good one. I think if there

had been more participation by the hon. members from the Hamilton area, and if those from the Niagara district had been a little more forceful, they would have put their point across. It would have helped to convince a lot of people who were not going to join with it.

But I want to say that I was completely disappointed in the attitude of the board of control of the city council, and particularly his worship Mayor Jackson, who, I am sure, was the main objector to the plan and who did not give the members of the board a clear understanding of what it meant.

The night before the second meeting to establish the association, the board of control of the city of Hamilton turned it down, and I made a press release that night to give my support to it. But, for some reason or other, the news did not come out, and I am going to repeat it here, because I do think something should be done to bring about an economic planning development organization in that area. I said this:

I am amazed at the "dog-in-the-manger" attitude, and the lack of co-operation and foresight, displayed by the board of control of the city of Hamilton by their refusal to participate in a most worthy organization on behalf of the citizens of our section of the province of Ontario.

I feel it is nothing but an irresponsible political obstruction by the mayor of the city of Hamilton to a most necessary improvement of our planning and development. While this progress is 10 years late, we should still take our steps forward rather than backward. One can admit that the city of Hamilton has had great industrial expansion in the past few years, but I do not feel it has been well planned, and at the present time we are faced with a large unbalanced annexed area to the east of the city.

There is no section of Ontario that needs co-operative co-ordination in planned development more than the Niagara peninsula from the Hamilton boundaries to the United States

border. The leaders in the city of Hamilton are shirking their duties to the citizens of the province in their attitude.

The principles of the programme speak for themselves. The regional economic development programme is designed to aid the economic growth of Ontario, through analysis, planning and co-ordinated direction on a regional basis of all phases of development. The rapid and continuing expansion of the economy of Ontario has made this long range planning necessary. Each association is empowered to take an active interest in all phases of development within the region, including industrial development, community planning, tourist trade, agriculture, mining, highways and education.

It is my hope that the Hamilton council can be persuaded to reconsider their decision on this question.

It appears that there was a large majority of the municipalities willing to participate, but because the city of Hamilton was one of the very few that had not made up its mind to pay its share of the cost—\$2,000 of the \$10,000 minimum to be raised by the municipalities and a \$10,000 maximum by the province—the desired amount was short by \$2,000 and I do not know whether this plan is going through or not, but I certainly hope so.

It has been forecast that the Niagara peninsula is going to be faced with heavy industrialization in the next 25 years, and I can agree with that; but I do not think it is necessary that it be blocked off with industrialization.

I feel that with proper planning the fruit belt can be maintained, and with the Ontario products farm marketing board, where farmers get a proper share for their efforts, and with industry being located where it will be effective, I feel that with the proper plan they could open up one of the finest lakeshore summer resorts. They could utilize the sandy portion in that manner and derive considerable revenue from tourists from

the United States who drive right past and who will have to use our toll roads in the future.

But I do not think that because of the non-participation of the city of Hamilton — because of their \$2,000 — we should let this project fall through. The government would be well advised to pick up the “tab” if there is not enough money there and let the people who are willing to do something for the province do it, and let the city of Hamilton rest on its laurels.

Mr. Speaker, I would like to deal briefly with The Labour Relations Act. There will be much said on this later, but I would like to say a few words at this time. Resolution No. 2 on the order paper asks that the labour committee meet and deal with the many problems of The Labour Relations Act. I was encouraged that the hon. Minister of Labour (Mr. Daley) showed the mature statesmanship last week that this department deserves in announcing that he was going to have the committee meet.

Things have changed since this government first brought in The Labour Relations Act in 1950; and in 1950 when the government brought in the Act the CCF hon. members in this House opposed it on the principle that it was unsuited for the purpose it was really designed for. They attempted to have it defeated so that it would leave the way open for more suitable and more satisfactory legislation; and they moved this amendment:

That this House declines to assent to the second reading of the labour relations bill because it violates the sound principles of labour relations by denying the application of fundamental democratic principles and voting procedure by establishing complicated and inflexible conciliation machinery that is likely to create industrial unrest by ignoring the principles of union security.

By the way, the amendment was defeated by both the Progressive Con-

servative and the Liberal parties voting against it.

Since that Act came in we have had a lot of changes and, looking at the labour situation in the province we cannot say that we have had good relations since 1936, when industrialization first came into the country; and I do not think this Act has made it any different.

From 1936 to 1950 we had problems, and in 1950 when we had this Act we still had the problems and still had strikes. I think one might say truthfully that we have had a good record in the past year on the labour front. We have had a good year, but there are problems cropping up, and if something is not done about it shortly our record is not going to continue.

The Ontario Federation of Labour and the Ontario Provincial Federation of Labour are going to merge into one union next month, and one of their main objectives is going to be the organizing of the workers in this province. There are a lot of people still not organized. We have the big industries organized where there are large numbers of employees, but there are a large number of people not organized, and I think something must be done for them.

I believe the Ontario Federation of Labour in the future is going to do that job; but in doing so are going to run across the problems that face these small industries; namely, we have the laundry workers and the departmental store workers and many small industries where, because of their small numbers, they are easy prey for the intimidation of unscrupulous employers who know that there are loopholes in the Act, and that they can avoid the certification; and there are many loopholes in the Act that can be used to smash the unions once they are organized.

One of the problems that we have to face concerns the labour lawyers in the Hamilton district. One who is famous for doing “a job” on labour is

David Lloyd George Jones, who acts for the employer not as counsel to find out the provisions of The Labour Relations Act in regard to relations with the union, but to find the loopholes with which to smash the union; and I may say that in some cases he has done a good job. I think it is the responsibility of this government to eliminate those loopholes so that those people cannot use them to break unions once they are certified.

Certainly I would suggest that we have to do an honest job in labour relations — as we are going to have strikes with the small employers in the future if we do not encourage the established unions so that they may give their dynamic help to the expansion of organized labour. There are a good many people not enjoying a standard of living that should be enjoyed in the plants and the industries in many trades in our country.

So I would suggest that the hon. Minister of Labour would do a good job if he would let this committee deal with the presentation of the Ontario Federation of Labour which is going to be made to this government — this cabinet — in the near future — in the next couple of weeks, I believe. It is a survey which they have taken right across the province, receiving presentations from all persons concerned, and who have an interest in, the labour relations in this province — namely, the labour unions, industries, lawyers, church people and many other organizations which made representations.

There were two of the hon. members of this House who had shown an interest and had made a contribution also. I would like to see, after this presentation is made to the government, that they turn this brief over to the committee and let them iron out some of the loopholes.

I would say this, to bring it to the attention of hon. members, that some of the loopholes are that if a company changes its name, then it does not have to bargain with that union which may have been established for years. It has to take over the other assets and the

responsibilities, but it does not have to bargain with the union. It can drop them right away.

Compulsory bargaining is a very important factor. We set out procedures for certification under the Act. Once they are certified then we set out procedures that they must bargain. But there is nothing to make them bargain in a faithful manner, they can just sit tight.

I would like to give an example of what has happened in this regard in one case: this is one particular plant in Hamilton that we certified as bargaining agents in September, 1953.

The company filed a protest with the board and it was not until 1955 that the board dismissed the company's appeal and upheld the original decision. The company still refused to bargain and in October, 1955, the union applied again; on June 26, 1956, the conciliation board had to deal with the case and the company refused to be a party to it. The board sat, the union went before the board to present their case and the company refused to present their case and just left the meeting.

The strike commenced on August 23rd, and on November 2nd the union wrote to the hon. Minister of Labour asking him to intervene in the situation, and to their knowledge the hon. Minister has not yet acknowledged their letter.

The crux of this is, they know they only have a small number of people, 15 or 17 involved in this case and all women, and they can intimidate them, and they tried. That did not work so the workers were forced to go on strike. The company hired a building on King Street in Hamilton, and put out large advertisements for workers, and a number of New Canadians who did not understand the problem rushed in there and were hired in this plant before anyone had an opportunity to tell them what the score was. Ever since then the company has been having quite a time to operate the plant.

Unfortunately, it is a very serious loophole in the Act, once they are certified there should be some method to

make them bargain, even to the extent that if they do not bargain the government will put in a controller. There are other loopholes that stand out with regard to conciliation service.

We have a case where a company and a union mutually recognize one another, but when they do reach an impasse or cannot reach an agreement they cannot apply for conciliation because they had not gone through the long procedure of certification through the government.

I think there should be some provision that if they mutually agree, if the company says they will recognize the union and will sit down and bargain with them at that time, they should be allowed in the future to have access to the conciliation service. There are many others that I am sure will be mentioned at a later date.

Mr. Speaker, I am going to cut my speech short and take some of the advice of the hon. Prime Minister, and leave some talking to the debate on the budget. But I would leave this for consideration by the government, that we make a survey of the deaf and hard-of-hearing in this province. I do not know too much about the subject but I know in the city of Hamilton the deaf and hard-of-hearing are having great problems, and I think we should investigate them because people are up in arms and they are hurling charges and counter charges, and I always assume that when the working people get together and voice their problems that something is wrong and should be looked into.

In regard to the mentally retarded children I certainly agree we have to have more facilities but I do not think, as has been suggested, that they should be centralized in one big institution. I certainly would hope that if we investigate and try to do something for the mentally retarded that the facilities will be decentralized so they will be in their own locality and their parents can go and visit them quite often.

I would mention, too, the obtaining of motor vehicle licences. I am sure that there can be better arrangements made because in Hamilton we have a large office which is under the control of the Ontario Motor League and there have been several complaints that members of the Motor League are shown priority in getting their licences. People stand in line and others can walk in and throw their card down and get their licence without any trouble.

I do not think that is right. Just because one is a member of the automobile club he should not deserve any special privileges. Also the office should be open in the evening. Many people think there is plenty of time to go and get them but when a man works from 8.00 o'clock in the morning to 5.00 o'clock at night he just does not get a chance to get there unless he takes time off or has someone who is willing to stand in line for him.

There is another little problem and I think we can do something about it. If these small things are looked after we will not run into the bigger problems. I agree with what has been said about the older workers and I think we have to give them some consideration.

Then, however, there is the transient worker in large cities and these people did an important job during the war on casual labour, and because of that they did not come under the unemployment insurance commission, but now these jobs are getting scarce and these people cannot find ways of getting steady employment because, when employers want workers, they apply to the unemployment commission and if there is no record in industry then they are just not considered. I think something could be done so that these transient workers could be considered on their ability and be given a chance to establish themselves in industry.

MR. M. B. DYMOND (Ontario):
Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

THE PUBLIC LIBRARIES ACT

Hon. W. J. Dunlop moves second reading of Bill No. 63, "An Act to Amend The Public Libraries Act."

He said: This is a bill intended to provide particularly in northwestern Ontario improved library service by setting up what is known as library co-operatives. This bill goes to the committee on education on Friday morning for full discussion.

Motion agreed to; second reading of the bill.

THE TEACHERS
SUPERANNUATION ACT

Hon. Mr. Dunlop moves second reading of Bill No. 70, "An Act to Amend The Teachers Superannuation Act."

He said: This bill is intended to provide for the admission to the teachers' superannuation fund teachers in independent schools who hold Ontario teaching certificates. That is really the whole purpose of this bill which also goes to the committee on education on Friday.

Motion agreed to; second reading of the bill.

HON. DANA PORTER (Provincial Treasurer): Mr. Speaker, tomorrow we shall proceed with the Throne debate and possibly a number of bills on the order paper.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.00 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, February 20, 1957

THE QUEEN'S PRINTER
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1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER
Roderick G. Lewis, Clerk

WEDNESDAY, FEBRUARY 20, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. Report of the board of governors of the University of Toronto for the year ended June 30, 1956.

2. The 1955 statement of the returns under sections 235 and 241 of The Municipal Act.

MR. SPEAKER: Reading and receiving petitions.

Presenting reports by committees.

Motions.

Hon. D. Porter moves that this House will tomorrow resolve itself into the committee of supply.

Motion agreed to.

Hon. Mr. Porter moves this House will tomorrow resolve itself into the committee of ways and means.

Motion agreed to.

MR. SPEAKER: Introduction of bills.

THE SEPARATE SCHOOLS ACT

Hon. W. J. Dunlop moves first reading of bill intituled, "An Act to amend The Separate Schools Act."

Motion agreed to; first reading of the bill.

He said: This bill provides for exactly the same arrangements as have been provided in The Public Schools Act, one of these being the age of admission of pupils which has already been discussed in the former Act and the arrangements for borrowing money by mortgages.

THE TRAINING SCHOOLS ACT

Hon. J. W. Foote moves first reading of bill intituled, "An Act to amend The Training Schools Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, there are two important parts to this amendment; section 2, the judge may order the parent to reimburse the municipality in whole or in part for the cost of the child's maintenance and education ordered by the judge to be paid by the municipality. That can be done at the present time by a separate court action, but it is proposed now that the judge who commits the child to the training school can designate a responsible person, and make him responsible for the child's maintenance.

The other important section is section 4; this section is to increase the amount of the contribution to training schools, the amount that is charged to the municipality is not increased, the increase comes out of the budget of the department.

THE HOMES FOR THE AGED ACT

Hon. L. P. Cecile moves first reading of bill intituled, "An Act to amend The Homes for the Aged Act, 1955."

Motion agreed to; first reading of the bill.

He said: This bill includes a number of minor amendments which I consider necessary for clarification and efficient administration.

I might add a word of explanation about sections 4 and 5. Subsection 1 of section 4 clarifies that assessment ought to be revised and equalized in territorial districts for the homes for the aged each year. Sections 2, 3 and 4 are designed to ensure continuing funds for the operation of homes for the aged in districts where revised and equalized systems are under appeal. It will also permit adjustments in provincial grants if such are necessary as a result of adjustments made under the provisions of section 19 of the Act.

THE MOTHERS' AND DEPENDENT CHILDREN'S ALLOWANCES ACT

Hon. Mr. Cecile moves first reading of bill intituled, "The Mothers' and Dependent Children's Allowances Act, 1957."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill will inaugurate the new approach in providing allowances to families where there are dependent children without a father's income to maintain the home. At present the allowance to mothers is a flat rate grant of \$50 a month for a mother with one dependent child, plus \$10 a month for other dependents, and the allowance to foster mothers is \$24 a month each for the first two foster children and \$10 a month for each additional foster child.

These basic amounts may be supplemented in needy cases by an extra

amount of up to \$20 monthly and fuel allowances during the winter season.

This Act will establish the principles of allowances based on the budgetary requirements of the family within prescribed limits. In this manner the actual financial requirements of the family can be determined and the allowance payment adjusted as the circumstances of the family change. Fundamentally, it will mean a more equitable distribution of allowances related directly to the needs of each family on a month-to-month basis.

The second significant change contemplated by this bill is the decentralization of administrative authority to the district welfare office of the department. It is anticipated that this method of administration will permit the processing of cases more quickly and efficiently, and also provide a necessary degree of control over expenditures in each local region. It will be similar to the administration pattern which has been used successfully for many years to administer unemployment relief in the unorganized areas of the northern territorial districts.

THE DIVISION COURTS ACT

Hon. A. K. Roberts moves first reading of bill intituled, "An Act to amend The Division Courts Act."

Motion agreed to; first reading of the bill.

THE INTERPRETATIONS ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Interpretations Act."

Motion agreed to; first reading of the bill.

THE JUDICATURE ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Judicature Act."

Motion agreed to; first reading of the bill.

THE PROBATION ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Probation Act."

Motion agreed to; first reading of the bill.

MR. SPEAKER: Before the orders of the day I would like to welcome several groups of students: a group from Allenby Public School, Toronto; Ridgeway Public School from Ridgeway, Ontario, near Niagara Falls; Oriole Park Public School, Toronto; and Humber Valley Village Public School, Etobicoke, Ontario.

HON. L. M. FROST: Mr. Speaker, I beg to table answers to questions 9 and 14.

Orders of the day.

JAMES RUSSELL

Mr. A. C. Jolley moves second reading of Bill No. 2, "An Act respecting James Russell."

Motion agreed to; second reading of the bill.

COUNTY OF YORK

Mr. A. A. Mackenzie moves second reading of Bill No. 5, "An Act respecting the county of York."

Motion agreed to; second reading of the bill.

CITY OF CHATHAM

Mr. G. W. Parry moves second reading of Bill No. 6, "An Act respecting the city of Chatham."

Motion agreed to; second reading of the bill.

VILLAGE OF FOREST HILL

Mr. H. F. Fishleigh moves second reading of Bill No. 8, "An Act respecting the village of Forest Hill."

Motion agreed to; second reading of the bill.

NATIONAL ORGANIZATION OF
THE NEW APOSTOLIC CHURCH
OF NORTH AMERICA

Mr. R. M. Meyers moves second reading of Bill No. 3, "An Act respecting National Organization of the New Apostolic Church of North America."

Motion agreed to; second reading of the bill.

CARLETON COLLEGE

Mr. D. H. Morrow moves second reading of Bill No. 14, "An Act respecting Carleton College."

Motion agreed to; second reading of the bill.

McMASTER UNIVERSITY

Mr. A. J. Child moves second reading of Bill No. 17, "An Act respecting McMaster University."

Motion agreed to; second reading of the bill.

McMASTER DIVINITY COLLEGE

Mr. Child moves second reading of Bill No. 18, "An Act to incorporate McMaster Divinity College."

Motion agreed to; second reading of the bill.

THE PUBLIC WORKS ACT

Hon. W. Griesinger moves second reading of Bill No. 46, "An Act to amend The Public Works Act."

He said: Mr. Speaker, in the present Act, orders-in-council are required for the sale and leasing of personal and real property. That has never been carried out and we want to change it now so that personal property can be sold on

instructions of the hon. Minister and real property leased where real property will still require an order-in-council. As an example, to sell scrap or old furniture, an order-in-council has been required but it has never been carried out by any of the hon. Ministers in the past.

Motion agreed to; second reading of the bill.

THE SURVIVORSHIP ACT

Hon. Mr. Roberts moves second reading of Bill No. 60, "An Act to amend The Survivorship Act."

He said: This amendment is, simply, to put in line the provisions in The Survivorship Act with respect to survivorship as it is in The Insurance Act and a uniform Act which has been recommended by the uniformity committee and which, eventually, may come into effect across the country. In the meantime, it is suggested that this Act be amended to conform.

Motion agreed to; second reading of the bill.

THE UNCLAIMED ARTICLES ACT

Hon. Mr. Roberts moves second reading of Bill No. 61, "An Act to amend The Unclaimed Articles Act."

He said: Mr. Speaker, this bill widens the provisions that are now contained in the Act to cover articles on deposit with jewellers and watchmakers for repair or other treatment. As the Act now stands, it applies only to clothes and household goods deposited for cleaning, pressing, washing and repair. This is to allow notice of disposal by registered mail instead of personal letters, and provides for application of proceeds of the sale of an unclaimed article.

Motion agreed to; second reading of the bill.

THE PUBLIC SERVICE ACT

Hon. G. H. Dunbar moves second reading of Bill No. 64, "An Act to establish The Public Service Act."

MR. D. C. MacDONALD (York South): Mr. Speaker, on the second reading, the hon. members of the House have an opportunity to discuss the principle of this bill, and there are 3 or 4 points I would like to raise.

In introducing the bill, the hon. Provincial Secretary made reference to the position of casuals, and in a little exchange across the House, expressed the view that the civil service, generally, is happy with the present situation with regard to casuals, and how the government is handling it.

I am convinced that is not the case. I do not propose to express my own views, but I just want to draw to the attention of the House the views of the civil servants. This is as expressed through their regular publication.

There is a rather interesting glimmer of hope, apparently, which emerged in the August issue of *Trillium* which, as hon. members know, is the official publication of the Civil Service Association. In this editorial in the August issue, they claim that recently we have "found a champion for the casuals in the person of the hon. Provincial Secretary."

However, apparently he was a champion for the hour and the hour only, because some 3 or 4 months later they have an editorial in which they point out—well, just let me quote this one paragraph:

Early in 1956, The Department of Highways took steps which moved about 500 casuals to the temporary staff and the first rays of light shone on the casuals and the dismal situation. The programme dried up almost before it had started.

That is the view of the civil servants with regard to the situation in The Department of Highways, where we have something like 7,000 or 8,000 employed

as casuals. Some of them have been casuals for as long as 30 years, and after a little glimmer of hope that the government was going to do something about it, the civil servants themselves say the programme has dried up.

They go on to what I want to suggest to this House is a very realistic programme, and I do not know why the government does not act on it, and act quickly. Here is a paragraph, once again, from the January issue of the *Trillium*:

What is needed now is direct action to place all salaried employees with 10 or more years on the permanent staff. Those who have from 1 to 10 years' service and those now on the temporary staff should be moved to permanent staff within a year. New salaried staff should be appointed to temporary staff for the usual year.

In the course of the remainder of this editorial, they refer to the experience of some of these casuals for 30 years and they conclude this way:

With full recognition of these two factors, we state again that to fail in immediate solution of the "casual problem" is, to say the least, careless administration.

Segregation is justifiably condemned in many quarters; the continued segregation from their fellow workers of large numbers of our provincial employees, by denying them appointment to the civil service, is entirely indefensible.

Mr. Speaker, we have discussed this before in the House. Exactly what provoked the government into some temporary action to produce the hon. Provincial Secretary for a champion for an hour last summer, and which has now resulted in a drying up of the programme, I do not know, and I wish the hon. Provincial Secretary would explain.

However, there are two or three other points I wish to draw to the attention of the House in connection with general security of civil servants—the underlying principle of this bill.

The second point is that in many instances, with our civil servants there is no opportunity for them to build up a vested right in their superannuity arrangement. For example, if a civil servant has been working for a certain number of years and decides he wants to leave the public service, he has a right to withdraw what he himself has paid in, plus 3 per cent. interest.

Well, that is fine. But if hon. members take a look at The Public Service Act, they will discover there is another clause which establishes what is known as "compensation allowance." In other words, if in the opinion of somebody—and who exactly that person is, to me is a very interesting question—it is decided that this person has been long enough with the service to have made an extraordinary contribution, he is granted an alternative compensation. Instead of withdrawing only the amount he has paid in, plus 3 per cent. interest, he gets a compensation allowance, which is a partial superannuation allowance paid, I presume, monthly, in the same way full superannuation is paid.

Now, on what basis is the distinction made between one civil servant who can withdraw what he has paid in, plus 3 per cent., and another civil servant who gets this compensation allowance?

I am curious because back in 1953, when an amendment was last made to The Public Service Act regarding this particular clause, when it was being introduced by the then hon. Provincial Secretary, Mr. Welsh, he had this to say:

The second reason for this section (first) pertains particularly to the pilots of The Department of Lands and Forests. Hon. members will realize this is more or less a young man's job, and the physical standards required are set by The Department of Transport at Ottawa; they are very rigid—and rightly so.

A good many of these men have been tried out in other administrative and technical jobs for which they were not trained, and in which they

have not been successful, and have wished to leave the service. It is felt that some provision should be made whereby they may be retired when their service as pilot is completed, if they do not wish to continue in the service in some other capacity for which they are fitted.

Very good. A man wants to leave the civil service. He has made his contribution, and in recognition of that contribution he can be given what they describe as a compensation allowance as an alternative to what he has paid in, plus the 3 per cent. That was back in 1953; and one would assume that, since one of the main reasons given by the hon. Provincial Secretary was to meet the immediate problem of pilots in The Department of Lands and Forests, some pilots would have been retired under this section of the Act.

Mr. Speaker, last year I put a question on the order paper and I asked how many pilots had been retired from the public service under that clause in the Act, and interestingly enough, after the passage of 3 or 4 years, the answer was "None." I asked the question: How many other people have been retired under this particular clause of the Act? And the answer was "Fourteen."

The question I am putting to the hon. Minister is this:

On what basis does a particular civil servant receive the special privilege of this compensation allowance instead of just withdrawing what he has contributed plus the 3 per cent.? There are no regulations set down that I am aware of, and the only thing I can conclude is that it is a decision made by somebody in the government. This gives the clause a certain invidious character for the decision can then be made, not on the basis of merit, but in favour of people who may have the friendly ear of the government.

I just want to say that I am convinced this is not a good procedure. I am certain that this is just one of those clauses that permit patronage for political favourites who leave the public

service. I suspect this compensation allowance goes to the favoured few, whereas others who may not have the same degree of political pull have to leave with just the normal withdrawal of their payments.

I am not going to mention any names here. I am interested in the principle of this; but if some names have to be mentioned I am in a position to do it. When, and if I do, then, I hope at that time some of the hon. Ministers will not "blow their top," as happened in a similar type of situation last year in dealing with patronage in the public service.

It has been suggested, with respect to civil servants, that patronage has ended. I will not take the time now, but I can point to some of the *Trillium* editorials in which they say it has not ended; and there is only one man who can stop it, and that is the hon. Prime Minister (Mr. Frost). I know of no attempt which he has really made to put an end to what has rightly been described as a sort of cancer gnawing at the public service.

HON. MR. FROST: The hon. member is living in the past.

MR. MacDONALD: I am not living in the past. I can show the hon. Prime Minister the editorials. I can name the people who are involved. This is a present-day consideration.

Finally, there are two other points in connection with security under the public service that I want to raise with the hon. Minister, and, again, I do not know why the government cannot act in connection with them.

One is this, that we have worked out a degree of reciprocity as between the civil servants in Ontario and municipal civil servants, or as between teachers who may be coming into the civil service; we have a certain element of reciprocity between Ontario civil servants and federal civil servants. But there are a couple of gaps in this reciprocity which should be filled.

For example, there is no interprovincial reciprocity for a person who wants to transfer from the civil service of another province so that whatever vested interest, and whatever security he has built up, can be taken to the civil service in the province of Ontario.

Similarly, while we have an arrangement whereby, if a civil servant moves from our service to the federal, and can carry his security that has been built up, I think I am correct in stating that there is no reciprocity whereby persons who may be in the federal civil service and who want to move back into the Ontario civil service can similarly do so. If it can be worked out one way, why can it not be worked out the other way?

It seems to me that establishing full reciprocity as between the various civil service bodies, provincial and federal, is a desirable thing so that they will have the utmost kind of flexibility, so that anyone who so desires may move into the province of Ontario, and receive the great benefits from this good government we hear so much about.

I did not think it was possible to get the applause of the hon. member for Renfrew South (Mr. Maloney).

MR. MALONEY: That is the first correct statement I have heard the hon. member make since I have come into the Legislature.

MR. MacDONALD: My final point is with regard to the plea that the civil servants have advanced on a number of occasions for benefits in connection with superannuation, particularly widows. For example, in our federal civil service, when a benefit is paid to a widow and she happens to be carrying the burden of schooling and raising children below 18 years of age, there are payments made to that widow for each child, in keeping with the kind of practice with which we are familiar in the mothers' allowances. I understand that this does not obtain in the province of Ontario, and because of that the civil servants have on a number of occasions raised the question: Why cannot this kind of thing be done?

One of the arguments which has been raised, for example, when comparable kinds of problems have arisen — such as equalizing payments of workmen's compensation benefits fixed at different levels back through the years — is that the scheme is set up on an actuarial basis and that the actuarial basis cannot be destroyed.

I want to make the plea to the hon. Provincial Secretary that that argument just has no validity at all. The Superannuation Act of the province of Ontario is underwritten by the consolidated revenue fund. There is a clause in it which states that if there is any deficit it is made up out of the consolidated fund; in other words, the superannuation fund is just as strong as this province.

The idea that this government cannot vary anything in the actuarial basis — for example, to meet the needs of a widow who has children under 18 years of age — is just an excuse. We have already wrecked the actuarial basis when we raised the maximum level of payments from \$2,000 to \$3,000, and later eliminated the ceiling altogether. Let us wreck it once again, because the superannuation fund is guaranteed by the consolidated revenue fund of the province of Ontario, and it is just as strong as the financial position of the province of Ontario.

Some of this lack of justice has been eliminated in the federal civil service superannuation, such as granting benefits or granting allowances to widows with children under 18. Why not introduce that kind of thing here?

I have put 3 or 4 questions to the hon. Minister, and I would appreciate it very much if he would comment on them.

HON. MR. DUNBAR: What is the first question?

MR. MacDONALD: I would like to know the number of casualties and what the effect has been—

HON. MR. DUNBAR: It is very interesting indeed to have just come from a meeting of the Civil Service

Association, which ended at about 1.40 p.m. The hon. Prime Minister (Mr. Frost) and the hon. Minister of Labour (Mr. Daley) were present. There are some of the members of the association in the gallery today who were also present.

My explanation is—I can say I never read that they gave me credit for getting some of the casuals some permanent footing, but when the stalemate was reached it was because of the doctors. We did not have a sufficient number of doctors to examine the number that were coming in, and I gave orders, as chairman of the superannuation fund, to Mr. Foster, and he immediately proceeded to engage outside medical assistance. We did that, and the ball started rolling again. The situation is quite satisfactory today.

MR. MacDONALD: How many of the 7,000 casuals of The Department of Highways can be—

HON. MR. DALEY: There will always be casualties in some of the departments, it does not matter what government is in power. There are certain classes of men who will always be casualties who are taken on over the age—

MR. MacDONALD: They will be “casualties”, I agree, under the Conservative government.

HON. MR. DUNBAR: I was almost a casualty myself. That is how we arranged that.

So far as the second question is concerned regarding, say, a man who was disabled, we have the power under the Act to increase that amount. And there are 3 men who do it, and that is final; so that there cannot be very much politics to it. These men are myself, as the chairman of the superannuation fund; Mr. Foster; and a representative from the Treasury Department. These are the 3 men who sit on the superannuation board.

MR. MacDONALD: The hon. Minister is not talking about the matter I raised. The hon. Minister is talking about the disability allowance, which is section 19. I am talking about the compensation allowance, inasmuch as apparently only 14 since 1953—14 people—have gone out with partial superannuation when they have not fulfilled the normal qualifications.

HON. MR. DUNBAR: And not very young, most of these. There are some to whom we give compensation because they did not have very much to fall back on. There was nothing political to it; but some persons have to make the decision.

I want to return to the meeting today, and I want to assure you that the impression which the hon. member is trying to leave with this House and with the general public is not true of the Civil Service Association—the feeling they have towards this government and towards the superannuation board.

MR. MacDONALD: The hon. Provincial Secretary should read their editorials.

HON. MR. DUNBAR: That is what I am talking about. The hon. member has been told by the hon. Prime Minister that he is living in the past, and he is.

MR. MacDONALD: Read the editorials.

HON. MR. DUNBAR: But I am telling the hon. member as of today how the civil service feels—that they have been very fairly treated, and we are doing everything possible to meet the requests from the service. It may be that some things may be a little slow. After all, although we must be fair to the civil service, we must also be fair with the people of the province of Ontario—always—the taxpayers; we must take both groups into consideration in dealing with them.

There will always be some person who is going out of the service saying that

he did not receive the same consideration as another; but that is not true.

MR. MacDONALD: Let me ask the hon. Provincial Secretary this question: On what basis did the 14 selected civil servants get this compensation allowance instead of what they had normally contributed, plus 3 per cent.?

HON. MR. DUNBAR: The hon. member says he does not want to mention names. Mention names. But I cannot tell him about these 14. They were not in my time.

MR. MacDONALD: Oh, yes, they were.

HON. MR. DUNBAR: Do not be too sure.

MR. MacDONALD: I am thoroughly sure of one.

HON. MR. DUNBAR: This special compensation—not one.

MR. MacDONALD: Not one?

HON. MR. DUNBAR: No—that special compensation. During my time as chairman of the civil service commission, or the superannuation board—

MR. MacDONALD: There are 14 since 1953.

HON. MR. FROST: Is this not out of order? This is not on the bill.

MR. MacDONALD: It is on the principle of the bill, granting security to civil servants.

HON. MR. FROST: But this is not something that is in the Act. Why does the hon. member not put something on the order paper? This has really nothing to do with the bill.

MR. MacDONALD: I agree with the hon. Prime Minister; we are getting into details now. Originally, it was the principle I was putting forward. We can discuss the details later.

HON. MR. FROST: If the hon. member wants to discuss the details, let him put a question on the order paper.

MR. MacDONALD: I did that last year and got the information. Now I want to know on what basis do a certain select few get out with more than others?

HON. MR. FROST: I think when the hon. member gets down to it, he will find that it is just this government trying to administer these laws with the milk of human kindness.

MR. MacDONALD: Maybe the milk of human kindness flows to those who are political favourites. There are no rules, and we find there are a certain select few—14 since 1953—with a compensation allowance, whereas the average civil servant goes out with what he puts in plus 3 per cent., and I have not yet been told by the hon. Prime Minister how that distinction comes about.

HON. MR. DUNBAR: Referring to what the hon. member for York South was talking about in the beginning, regarding the security of the civil servants, that is the important part of this bill. It is not about what favour certain persons receive. If they did receive a favour, I did not know anything about it.

Like some of the hon. members sitting on the front benches across the floor, I spent too long a time and too many hours endeavouring to help the civil servants, to have the hon. member “Johnny-come-lately” — or, you may say, an overnight guest, because that is what he will be—criticizing men who have been here doing their best.

As far as political patronage is concerned, as the hon. member states, I do not know anything in connection with The Superannuation Act where every person has not received justice and has not been dealt with fairly.

The hon. member says there were 14 people, but he has not named them.

If he can supply the names to me, I will give him the reply, because I cannot answer his question without having heard of the situation before. Is that fair enough?

MR. MacDONALD: It is fair enough for the moment, but it may be useful if the hon. Provincial Secretary looked into it.

HON. MR. DUNBAR: If the hon. member will give me the names, I will.

MR. MacDONALD: The hon. Provincial Secretary should not ask me for the names; I do not know the names of all of them. It was listed in the reply last year that 14 people had gone out in the last 3 or 4 years, with this special compensation allowance. I presume at the same time, hundreds of civil servants went out, just getting what they had put in, plus 3 per cent. It is just an explanation of the distinction that I want.

HON. MR. DUNBAR: No disability connected with it, whatever?

MR. MacDONALD: No, none whatever.

HON. MR. DUNBAR: Just that they were friends of the government?

MR. MacDONALD: Let the hon. Provincial Secretary look at section 22 of the Act.

HON. MR. DUNBAR: It is strange when a person just finishes a very successful meeting with an organization, having got along well and having given them credit for doing so much, that he then takes his seat in the House and then has one of the opposition—the leader of a powerful party—

MR. MacDONALD: Thank you, sir.

HON. MR. DUNBAR: — tell him that he is doing nothing for the people; that the civil servants are all dissatisfied;

why do they never come back from the federal government; why do they never come back to the provincial government?

Let the hon. member never make that statement. If he knew the number of people who went to the federal government and who have made application —

MR. MacDONALD: I am not interested in a sermon. Will the hon. Provincial Secretary answer my question?

HON. MR. DUNBAR: The hon. member is not interested in anything except some "hifalutin'" kite that he is flying; just flying a kite, that is all.

MR. MacDONALD: We will bring the kite down to the ground later.

Motion agreed to; second reading of the bill.

THE SANDWICH, WINDSOR AND AMHERSTBURG RAILWAY ACT, 1939

Hon. W. Griesinger moves second reading of Bill No. 68, "An Act to amend The Sandwich, Windsor and Amherstburg Railway Act, 1939."

He said: The explanatory note explains the whole bill. It is merely to validate some negotiations that have already been made and to permit the railway company to enter further negotiations subject to the approval of the Ontario municipal board.

Motion agreed to; second reading of the bill.

HON. MR. FROST: If the hon. member for York South thinks there is political patronage, he may raise the point in relation to the Windsor bill.

MR. MacDONALD: I am sorry, I was not following the bill.

THE COUNTY COURTS ACT

Hon. A. K. Roberts moves second reading of Bill No. 71, "An Act to amend The County Courts Act."

He said: Mr. Speaker, this will go to the committee on legal bills and is, I think, quite self-explanatory.

Motion agreed to; second reading of the bill.

THE COUNTY JUDGES ACT

Hon. Mr. Roberts moves second reading of Bill No. 72, "An Act to amend The County Judges Act."

He said: This bill sets out that a judge may be appointed for every county court and district court, and that the judge may act outside his county.

Motion agreed to; second reading of the bill.

THE EXECUTION ACT

Hon. Mr. Roberts moves second reading of Bill No. 73, "An Act to amend The Execution Act."

He said: This bill will go to the committee on legal bills, and it increases the exemptions.

MR. WHICHER: Mr. Speaker, I would like to ask the hon. Attorney-General whether that means, for example, in connection with a person engaged solely in the tillage of the soil or farming, that supposing it says here he is exempt to \$2,000, and supposing a person had a chattel mortgage on the farm's implements, does that mean he cannot seize that last \$2,000?

HON. MR. ROBERTS: That is a different thing altogether; that is an instrument with a chattel mortgage attached, and the rights are under the agreement in the chattel mortgage. It would not come under any exemption of this sort.

Motion agreed to; second reading of the bill.

THE INSURANCE ACT

Hon. Mr. Roberts moves second reading of Bill No. 74, "An Act to amend The Insurance Act."

He said: This will also go to the committee on legal bills, and involves a number of amendments which will be discussed, I think, in committee, in full. Unless there is any particular question, I will not go into detail.

Motion agreed to; second reading of the bill.

ADDRESSES IN REPLY TO THE SPEECH FROM THE THRONE

MR. M. B. DYMOND (Ontario): Mr. Speaker, before attempting to make some small contribution to this debate I would join with hon. members who have already offered congratulations to yourself for your very fine conduct of the affairs of the House, and would add to their commendation my thanks for your wise counsel and kindly assistance to me on many occasions. The lot of the inexperienced hon. member has been made a great deal easier and his task more pleasant and satisfying by virtue of this assistance and that of your efficient staff.

I would go a little further in this regard, and express appreciation to so many of the members of the civil service. So often when bringing to them the problems of some constituent—small though it may be on many occasions—one is always met with courteous helpfulness and an apparently sincere desire to serve. The province is richly blessed in its devoted public servants.

As hon. members preceding me have done, I am now pleased to congratulate the hon. mover and seconder of the reply to the speech from the Throne. From the mover, the hon. member for Port Arthur (Mr. Wardrope), even we who have recently come to this House have already learned to expect much, and we were not disappointed. The seconder, the most recent hon. member to enter the House, the hon. member for York West (Mr. Rowntree), gave all of us a foretaste of good things yet to come from him.

At the last session of this Parliament I said of hospitalization insurance, that

I was pleased to see this subject finally taken out of the stage of hinting and conjecture, and taken out of this stage it has been in very truth—definitely and decidedly—as we may glean from the proposal tabled by the hon. Prime Minister (Mr. Frost) on the second day of this session.

Commenting on this proposal that day, some hon. members expressed disappointment and the opinion that it provided only “half a loaf.” Perhaps, too, I seemed to sense a little disappointment on the part of one hon. member that some definite proposal had been tabled. I hope I was wrong in this regard.

The hon. member for York South (Mr. MacDonald) pointed out that there was a difference of opinion even among the supporters of this government on this matter! I have no hesitation in stating clearly that while I am in wholehearted agreement with the principle of hospital insurance, I have usually favoured a catastrophic plan rather than an all-inclusive one, and I have no hesitation in stating that as I listened to the presentations placed before the standing committee of the Legislature at the last session, I was more than ever persuaded in favour of this type of insurance.

In the interim I have read and re-read the stenographic report of those meetings and have tried to study as much material on this subject as I could find, but it only served to fix my opinion more firmly. I believe the most convincing information came from the 1955 report of the Saskatchewan plan as reported in the *Globe and Mail* on August 9th of last year, and I quote:

Statistics for 1955 show that the bills paid by the plan amounted to less than \$100 for 73.4 per cent. of the patients discharged that year. At the other end of the scale more than 3,600 bills exceeded \$500. In 1955, bills up to \$19 were paid for 21,562 patients; from \$20 to \$49 for 45,284 patients; this represented 40.54 per cent. of the patients discharged in this year.

So, Mr. Speaker, on this alone I believe we can base a good argument for

catastrophic insurance. But I am also aware that this was given much thought and study by those far better versed in all aspects of this field than I, and am ready and willing to accept their findings and their basic proposals as being geared better to serve the great mass of our people.

My hon. friend also made much of the fact that outpatient and diagnostic services had been left out of the plan, and that indeed is so at the outset, but to say these are left out puts the proposals in an unjust light, as if to say the doors had been shut definitely for all time. As I read it, this is not so, for the proposal is:

The programme will include specified outpatient services and either simultaneously or at a later date diagnostic services on an outpatient basis.

I would point out to the hon. member that the Ontario proposal is as broad and, in some respects, broader than is the Saskatchewan plan, and as I interpret it, it is so established that it looks constantly ahead to improvement and expansion as time and experience may dictate.

Much has been said in this House and outside it, questioning the need for a hospital care insurance plan; that it should be left to private and non-profit plans, and those questions continue in spite of all the hon. Prime Minister has stated to show the fundamental differences between this proposal and private plans. I believe it is well at this time to review and repeat those differences.

On the one hand, the private and non-profit groups state clearly they cannot provide a universally available plan at a cost within the scope of the average man; their coverage can never be more than partial as all of them have definite time limits, exclusive of pre-existing illnesses, waiting periods, the right to cancel certain benefits in the event of recurrent disease, etc., and practically all except those in large groups can be cancelled on notice being given or refusal to accept the renewal premium.

Few contracts are in force when the subscriber reaches age 65 or if he or she stops working. So this much quoted statement that 3.5 million of the people of Ontario have hospital insurance coverage is, in fact, a mis-statement. They can at best be said to have partial coverage.

This plan now proposed by the government of Ontario is a universally available one and provides standard ward care for in-patients. The plan proposed is, in my opinion, a good plan, sound and workable — not perfect, I will admit, but if it were perfect I would be forced to view it with grave suspicion. For its successful operation and implementation it will, as the tabled document suggests:

require the full co-operation of all concerned, sound administration, and well organized medical staffs, and a dedication on the part of all to the improvement and maintenance of high standards of service.

As this proposal will no doubt be the subject of intensive study and scrutiny during this session, I will say very little about costs at this time other than to observe in passing that the cost of the plan is occasionally brushed aside with almost reckless abandon.

I would add my word of caution in this regard, and again point to the Saskatchewan plan as evidence of the need of caution. Their experience has been that since 1947 costs have increased 250 per cent., that no additional services are provided, and that the number of people served has increased by only 5 per cent.

However, since we have noted that the federal government, so far at any rate, has not considered as a shareable cost coverage for mental illness and tuberculosis, these matters are exceedingly worthy of note and comment.

In both these fields we have come a long way even in the past 30-odd years. Regarding incidence of tuberculosis, new cases reported in 1920 were 78 per 100,000 population; in 1955 it was 29

per 100,000 population. Mortality due to tuberculosis in 1920 was 79 per 100,000 population; and in 1955, 5 per 100,000 population.

This is a direct result of public health and preventive medicine measures, including pasteurization of milk; inspection of cattle; condemnation and destruction of reactors; and examination of beef for human consumption.

In spite of all these measures, cases continue to crop up. In recent years active treatment measures have been found, so that now when a patient is admitted to a tuberculosis sanatorium, he enters with a reasonable assurance that he will be discharged as cured, or at least be an arrest-and-closed case, so that he may return to a useful life and gainful employment.

Rehabilitation is an important feature of the patient care programme. In this work the Canadian Sanatorium Association plays a great and important role through its various units and branches, and this work on the part of volunteers in this association is most worthy of our commendation and active support.

In the case of mental illness the record is even more glowing. Some 50 years ago, and even less in many cases, if a member of the family became mentally ill it was considered a blot on the good name of the family, and the patient would be hidden away in the home, as it were, and no more treatment undertaken.

Steadily this has changed. By a continuing programme of education we have come to learn that no stigma attaches to mental illness, that it is no more a shameful thing for one to be afflicted with schizophrenia, maniac depression, or any other mental illness than it is to have heart disease or ulcers.

As a result of, or perhaps concomitant with, this, medical science has progressed rapidly in this field of mental health. Great strides have been made in active therapy until today we find the discharge from our mental hospitals of patients cured is the rule rather than the exception.

Some statistics here show that in 1920 the admission rate to mental hospitals was 107 per 100,000 population; in 1955 this had dropped to 82 per 100,000 population. Patients discharged in 1920 were 31 per 100,000 but this figure has risen sharply to 76 per 100,000 in 1955. In 1920 only 7,689 patients appeared on the records of our mental hospitals, while in 1955, 22,611 were registered. This can be accounted for by the growth in population, expanded facilities, and a growing awareness of the value of treatment. Discharges for 1920 numbered 887, and for 1955 they numbered 3,934.

Here, too, preventive medicine has made an outstanding contribution. Mental health clinics have been set up in many parts of the province and are expanding the scope of their activities. The work they do among school children is perhaps their most important contribution, and I am of the opinion that, by these efforts in liaison and close co-operation with school and home, many cases of mental illness may be prevented and we may look with well-founded hope to a comparative lowering of the incidence of mental illness in the future.

There will be for a long time, I believe, a need for expanded and improved facilities for the care of the mentally ill, and I would hope that the federal authorities will soon see that the hospitalization of the tubercular and mentally ill patient can never be separated from all-inclusive hospital care.

One cannot leave this matter of mental health without at least passing comment on the work done by great numbers of devoted volunteer workers, mainly through the Canadian Mental Health Association. To them goes much of the credit for the education of the public, for the rehabilitation and after care of discharged patients, and for the constant struggle in behalf of these ill and disabled folk. Their response to this government hospital plan will be reward enough for those who have worked and studied to bring it about.

Speaking of the plan as it relates to mental hospitals, the general director of the Canadian Mental Health Association, Dr. J. D. Griffen, has said in part:

The Ontario proposal is in line with the thinking of the many prominent psychiatrists and social scientists who have been working voluntarily for some years now as members of our national scientific planning council, in an effort to produce an ideal plan for mental health services in Canada.

Mr. J. S. D. Tory, the national president of the same association, has commented as follows:

The Ontario government's action in putting mental and physical ills on the same level is appreciated because there is still a feeling hanging over from a former day that mental illness is unlike any other illness. But modern medicine recognizes that mental illness is like any other illness; it has causes, it runs a course, and is susceptible to treatment. We are grateful to Mr. Frost and his advisers for recognizing these facts.

Mr. Speaker, I would say in passing, that one of the most progressive moves in the matter of mental illness in recent times has been the establishment of active treatment psychiatric units attached to the larger general hospitals, and I am indeed pleased to know that it is the policy to continue these units and to expand them. I believe these, too, will in time greatly reduce the population of our mental hospitals.

Few diseases which afflict our children cause such widespread fear and alarm as does anterior poliomyelitis, a disease which appears to have had a greatly increased incidence over the past several years and seemed to defy every effort to control or prevent it.

All this appeared to change dramatically with the development of Salk vaccine. Now the medical profession is most cautious about making dramatic statements or prognosis until ample

time has elapsed to permit of clear and unprejudiced evaluation of the results from any preventive or therapeutic measure, and this, I maintain, is sound reasoning.

Yet I do not believe one could be accused of exaggeration or of being dramatic if one were to suggest a guarded opinion that this method of protection against poliomyelitis is proving to be the best measure yet found or developed.

A report from The Department of Health on this subject is worthy of the consideration of hon. members of this House:

From the spring of 1955 to January, 1957, the department distributed 2.5 million doses of vaccine to local health departments. We will have received and distributed an additional 2 million doses of vaccine by the end of June, 1957.

By that time about 840,000 elementary and secondary school children will have received 3 doses of vaccine and 950,000 elementary, secondary and pre-school children will have received 2 doses of vaccine.

There was not a sufficient number of cases of poliomyelitis in 1955 to enable us to state whether or not the vaccine produced a noticeable effect on the incidence of poliomyelitis in that year. However, during the past year we have continued our studies and our 1956 experience shows that 5 cases of paralytic poliomyelitis occurred among 840,000 vaccinated children in the 0 to 19 year age group. In contrast, there were 71 cases of paralytic poliomyelitis among 960,000 children in the same age group who received no vaccine, or only one dose. This shows that there was a significant difference in the occurrence of paralytic poliomyelitis among vaccinated and unvaccinated children in 1956.

To one of the medical profession these figures are not yet wholly conclusive, but surely they point out some hope that

here, yet another victory would appear to be near, and that one more of the dread diseases which afflict mankind has been brought under control.

Further in regard to Salk vaccine, I would pay a much deserved tribute to a branch of our profession, a veritable army of men and women in almost all of the branches of the healing arts, ably assisted by many other people in other fields, but related to medicine in their application. These are men and women of whom little or nothing is ever heard. Oftimes they work with very limited budgets, in cramped and crowded quarters, a devoted, inspired company constantly seeking and searching for causes and cures, or treatment and controls—actually a dedicated army waging a continuous and continuing war against the ravages of human disease.

Few of them are ever surrounded by that aura of glamour such as we see attaching to surgery, for instance, but it should be borne in mind that for every Lister and Pasteur, Koch, Fleming and Florey, Banting and Best, we have thousands of others, subordinate workers, technicians, yes, even those who wash and cleanse the beakers and test tubes and tend the experimental rats and mice and guinea pigs—these are equally necessary to this constant struggle.

I would like to attempt to say something about agriculture, but after listening to the hon. member for Brant (Mr. Nixon) speak so well and with such experience on this subject I hesitate to tackle the matter. If my script had not been written before the hon. member spoke I would have left this alone. I believe it was in the second grade reader I read something I have never forgotten and something I have tried to make a rule of life. This was the advice: "Let the cobbler stick to his last." Yet, even at the risk of repeating some things that have often been repeated in this House, I feel obligated and am proud to raise my voice on behalf of the farmers whom I represent and, indeed, all of the farmers of the province. I trust my ignorance in many respects of this topic will be compensated for by my sincerity of purpose.

My constituents are almost equally divided between urban and rural. Agriculture, therefore, is an important industry in Ontario riding as it is in many other parts of this great province.

We see every day on the one hand the industrial half of the riding thriving and prosperous, the employees being paid good wages for controlled hours of work, with many worthwhile so-called fringe benefits to which they are justly entitled. On the other hand, those engaged in agriculture, in many cases, eke out an existence, working long hours against the heavy odds of labour shortages, high capital costs and high costs of production and low returns for their products.

I speak not so much of the farmer who is specializing in some particular branch of the industry; rather, I would speak on behalf of the small farmer, the little folk of the industry, who make the operation of their farm a family venture. We often hear in these days strong suggestions that many small farmers should give up the struggle and move into the towns and cities and seek employment in industry. I disagree with this philosophy. I am still persuaded that there is a definite place in our scheme of things for the small farmer.

I would point out that I speak of the efficient small farmer. I am quite conscious of the fact that there are many poor and inefficient farmers just as there are poor and inefficient individuals in every trade, profession and avocation, but they will inexorably fall by the wayside in the normal course of events.

I submit also that if the farmer were given protection in any measure comparable to that provided many industries the picture would be much different from what it is now. It has been said that 30 to 40 years ago, to begin a farm operation all a young man needed was about \$500 and a wife. Today he still needs a wife, for in many cases this is all the help he can get or can afford, but his capital investment has jumped to around \$30,000, so \$500 does not go very far.

I may say this figure disagrees with those supplied by The Department of

Agriculture, but even taking their figures we find the capital investment in 1921 was \$8,500; for the average farm in 1951 it was \$17,000. But I am assured by the Economics Branch of the Canadian Federation of Agriculture that a more realistic figure is between \$30,000 and \$40,000 capital investment for the average farm.

A few weeks ago it was reported in the press that for 1956 the average weekly wage of the industrial force was \$65.12. Against this we have the average annual income for the self-employed farmer, fairly accurately estimated at \$2,058 for the year 1955. Calculated on a weekly basis this amounts to a little over \$39, but if we look at it on an hourly basis we find the farmer receives less than 50 cents per hour, and the amount most probably is in the neighbourhood of 40 cents per hour, taking into consideration the number of hours the average farmer has to work.

It needs to be borne in mind, too, that the farmer has to provide all his own fringe benefits; he has no unemployment insurance; workmen's compensation is now available to some, although not to the farmer himself. Sickness and accident insurance, retirement policy and the like are still his own responsibility.

When one looks at such comparative statistics one can understand in some measure why so many farms are being abandoned, and why so many farm properties are allowed to fall into the state of disrepair we find obtaining in many parts of the province and the entire nation.

Is it any wonder that we look with such concern on this basic industry which is decidedly in a depressed state while every other branch of our economy is expanding?

It is easy to see the difficulties and weaknesses; what to do about them is a more vexing problem, and perhaps even attempting to speak of these matters on my part was a case of "fools rushing in where angels fear to tread."

But surely we can do something actively to help the situation. I have

heard in this House that The Department of Agriculture was founded to help teach the farmer to grow "two blades of grass where one previously grew," and that they have been eminently successful in this respect requires no testimony of mine. Suffice it to say that an intensification of research into ways and means of raising the level of the farmer's income to that of a decent living wage at least, if not helping him gain a reasonable return on his investment, would be a most worthy project for the department.

At the last session I suggested that our people did not consume enough per capita of the products of our Ontario farms. That this is the opinion of others is evident from a report appearing in the *Toronto Telegram* of February 3, 1957, from which I quote:

"Our responsibility is to get more fresh food to more people for less money," W. D. Cumings of Calgary, president of the Canadian Fruit Wholesalers' Association, told the association's annual meeting.

One fact was that the average Canadian was not eating enough fruit and vegetables. Current figures indicated that he ate 376 pounds of them a year, but nutritionists maintained that he needed 537 pounds for a balanced diet. This would be an increase of 43 per cent. apart from population increase.

To win this increased potential market, Mr. Cumings said the public must be effectively told that proper diet must include fresh fruit and vegetables.

I may add that the same could be said for other natural food products. I do not agree with the "less money" statement, as I fear that again would be done at the expense of the producer.

I repeat that an intensive programme of advertising along some such lines would, in my opinion, be another worthwhile project for the department. I am most encouraged to learn that larger sums would be asked this session for research for this department, and I

sincerely hope some of it, at least, will be used in this direction.

In the matter of public welfare, I have to commend the hon. Minister (Mr. Cecile) on two accounts. The first was well mentioned by the hon. member for Parkdale (Mr. Stewart). It had to do with children in the care of the various children's aid societies, and the efforts sponsored by the hon. Minister to arrange the adoption of every child available for adoption.

I would add that, in my humble opinion, the same should apply to the 15,000 children in foster homes. Many of the experts in children's aid work disagree with my beliefs that many of these foster children would be far better served were they made permanent wards of the societies and then made available for adoption.

Paradoxically enough, Scot though I am, I am not concerned with the cost of care for these foster children. I am amazed that foster homes are found for them, for certainly it can never be said that foster parents enter this field for material gain. This is a group which in my opinion demonstrates Christianity in action, worthy of the divine commendation: "Inasmuch as ye did it unto one of the least of these my children ye did it unto me."

But there is so much more to the development of a child than food, clothing, housing, education and the other "musts." A personality has to be developed and nurtured and allowed to blossom to full expression. Basic to this is a feeling of security, a sense of belonging, of being an integral part of a family circle. This can best be done if the child is a real part of the family, and not just a foster child.

I do join with those other hon. members in urging that the careful and continuing studies of these cases of children-in-care be intensified with the thought in mind of making as many as possible available for adoption.

I would also like to commend the hon. Minister for his efforts to impress upon the appropriate authority at

Ottawa the need for increasing the amount of money to all social assistance cases. We have had many hints and suggestions from Ottawa that these are to be improved, and I would hope these increases will be at least "half a loaf" rather than the "crumbs that fall from the table." We shall await the definite proposals with much interest.

I also join with other hon. members in pleading the cause of the blind pensioner. Since my father was totally blind, I lived for some time very close to this problem and learned at first hand what has already been emphasized here, that problems, unique to the blind person constantly arise and give rise to expenses not met with in many other handicaps — expenses which certainly cannot be met out of \$40 per month.

When the disabled persons' allowance came into being it was hailed as a progressive forward step, which indeed it was, but now, after having seen it in action, many of us are persuaded that the Act needs to be reviewed and broadened greatly in its application.

I was very much refreshed to find a clipping I had laid away and thought I had lost, dated November 7, 1956, reporting that our own hon. Minister said just this very thing to the authorities at Ottawa.

I believe we need a new and broadened concept or interpretation of total disability. I believe we need to tie employability to disability, and if a man is unfit for gainful employment by virtue of physical disability, even though his disability does not render him a helpless individual, he should be eligible for a disabled person's allowance.

It should be noted here, and emphasized, that the Act was broader in its application and more liberally interpreted when this matter was in the hands of this province alone. I would hope that the urgency of this situation might be impressed upon our Liberal friends at Ottawa and that they may, for once at least, become literally more liberal.

Before I conclude, Mr. Speaker, I would like to make some reference to Brotherhood Week, which we are called upon to observe. It was my good fortune, the first time I rose to speak in this House, to do so during that week and here I am speaking again during Brotherhood Week.

I feel it is tragic that we set apart only one week of each year for this purpose, when we need to observe it daily. It is not a modern development, this need of brotherhood. It goes far back into antiquity and probably predates the recorded history of man.

The tragedy is that we appear to accomplish so little in this field where so much is needed. I believe it was Sir Walter Scott who said:

The race of mankind would perish did they cease to aid each other. We cannot exist without mutual help. All therefore who need aid have a right to ask it from their brother men; and no one who has the power of granting can refuse it without guilt.

If we who have been given so much would in turn give more we might reach our goal more quickly and more easily than now seems possible. To this end I would offer a word of advice and it is this: "The best exercise for your heart is when you stretch your arm out to help your brother man"; or, as Sir John Masefield puts it so much better: "Clasp the hands and know the thoughts of men in other lands . . ."

We need to take such advice and heed it to make the idea and ideal of brotherhood a fundamental part of our everyday life.

MR. HAROLD F. FISHLEIGH (Woodbine): Mr. Speaker, I wish to congratulate the hon. mover and second-order of the motion to adopt the speech from the Throne. The addresses were ably presented by the hon. member for Port Arthur (Mr. Wardrope) and the hon. member for York West (Mr. Rowntree).

More particularly, I am pleased that the Throne speech contained the ideas

set out by the hon. Prime Minister which pertain to possible health insurance, which means hospitalization and diagnosis only, and I am confident, as a few months roll by and this plan is put into operation, that the people of Ontario will be very happy with the results.

This afternoon, I would like to deal more particularly with the hon. cabinet Ministers. I am going to pat them on the back for some good things they have done, and give them some timely suggestions regarding some things which I think would be good for the people of Ontario.

First of all, we have the hon. Provincial Treasurer (Mr. Porter), who collects \$420 million of the taxpayers' money and spends it likewise: highways, \$115 million; municipal roads, \$81 million; schools and universities, \$74 million; hospitals, \$35 million; and power, \$126 million.

The municipalities spend about \$200 million on waterworks, etc., but I predict, Mr. Speaker, that when hon. members come back here next year to study the budget, we will have to budget for at least 5 to 15 per cent. less.

You will ask, why will we have to budget for a less amount? Well, it is quite obvious this "tight money" policy which is underway at the present time is going to bring that about, and it will affect first, the small businessman and the governments themselves. This government derives its revenue mostly from cigarette, liquor, gasoline, motor vehicle, and lottery tax, etc. Those are all luxury lines, and are the things which will be hit first and, moreover, the small businessman is in a predicament even today, and this policy is only 6 months old.

I was in England this year, and visited a cousin of mine who has a small factory there. He manufactures farm implements. His name is John Fishleigh, and 5 years ago when I was there he was quite a prosperous individual: he had a nice home, television set and a couple of motor cars which is pretty good in England.

However, this year he seemed to be "down at the heel" and down in the "dumps", so I asked him what was the matter, and he said, "It is the 'tight money' policy we have over here."

I said: "I have just heard about it in Canada, but it has not hurt us as yet."

He said: "Wait until you have had it a year or two and then you will really feel it. The first year you do not feel it so much, but wait until the second year rolls around. I take my implements to the fall fairs and show them to the farmers, who like them, but they say, 'We are sorry, John, we cannot buy them this year because we cannot get a loan at the bank'."

To verify this, I went to one of the larger companies to see if it hurt the big business people — Sir Robert McAlpine — which company builds in 5 or 6 countries in the world, and I asked, "How does the 'tight money' policy affect you?"

They said: "It does not affect us. If the country wants to build an atomic energy plant, we will build it; or a dock on the St. Lawrence River, it does not affect us because we know the money is there before we start." It is the small businessman and the governments themselves who are going to get hurt.

Moreover, this is going to cost more interest; instead of 3.5 to 4 per cent., as we paid 6 months ago, we have to pay 5 per cent. now. If it continues here the way it now is until next year, we will have to pay 6 or 7 per cent. to borrow money from the public and that, in itself, is inflationary. It will be a noose around the neck of the future young Canadians.

I am not leading up to politics: I have talked to Liberals of the Dominion government and senators, and I am not leading up to anything of that kind. I can see the hon. members of the opposition making notes, because I know they are interested in this and it hurts them just as much as it does anybody else, and they are very much worried about it.

The policy seems to be all in the banks, but I am disillusioned about the whole business in that I thought we were on a

free enterprise system in Canada; I thought it could be controlled by tariff barriers, etc. But I was amazed that the Bank of Canada has the right to say whether my constituents, in Woodbine riding, will have jobs next year or not. So, I picked up some literature on the matter, and this is the *Business Review of the Bank of Montreal*, and hon. members may be interested to know just what powers the Bank of Canada has.

They seem to have more powers than the governments themselves: for example, this is their power:

To regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit—that is, the dollar; they have the right to control that. I suppose that is why it is \$1.04 in relation to the United States dollar.

It is also within the bank's powers to mitigate the general fluctuations of the general level of productions—manufacturing: we produced \$9 billion last year. Trade prices and employment: they can control employment so far as may be possible within the scope of monetary action.

They have a great deal of power, and the *Review* goes on to say that the bank is set up to act as a tranquilizer to stop inflation. I say the banks will have to serve tranquilizing pills and a glass of water, because if a person goes to the bank for a loan and does not get it, he can at least take the pill and go away feeling happy, anyway. It really is a serious matter, and when I look over the hon. members of the House here, and think that I am looking into the faces of an honest cross-section of the country, I wonder how much could the entire 98 hon. members borrow from the bank if they applied for a loan. Canada savings bonds and Ontario hydro bonds are of no use; the only thing they will take is paid-up life insurance, so that is the amount of borrowing power we have in this assembly, and that is a cross-section of all Ontario, and if that is not serious, I do not know what is.

Next we have the hon. Provincial Secretary (Mr. Dunbar). He is a very busy man. He has 21,000 civil servants to keep happy as we learned a few minutes ago, and he keeps the record of the births and deaths in Ontario.

He has nothing to do with this, but maybe some of the younger hon. members have, but for the first time in the history of Ontario we have had more babies born in Ontario than in Quebec. If a person wants to have his birth certificate done up in a nice plastic case, he may, for the sum of \$2.00.

The hon. Provincial Secretary registered 5,000 new companies and destroyed the charter of some 4,000 old ones.

We have also the hon. Minister of Labour (Mr. Daley). He has 14 officers who go into the factories and mediate between labour and management, and they have, in turn, stopped many strikes.

The hon. Minister also has control of the law which states that if a woman is working on a machine she must be paid the same rate of wages as a man doing similar work. The hon. Minister also has to administer that bill which sometimes gives him difficulty, but I think he is doing a very good job, in not discriminating against race, creed or colour.

Under this department also, we have the workmen's compensation board which has benefitted 3.5 million people and has spent \$415 million on those benefits.

At the present time, the department is building a new hospital on highway No. 401 just north of the city. It has 500 beds and will cost about \$5 million, and is a showplace for people who come from all over the world to see the good work being done by the workmen's compensation board.

I am sorry the hon. Minister is not in his place, for there is one thing I would like to suggest to him, and if he could do this, he should have stars in his crown. There are a number of men and women who retire around 60 or 65

years of age, and they have nothing to do, and they are at a loss. They wander around Eaton's and Simpson's and do not know what to do with themselves. If we could only set up an agency whereby these men could be siphoned back into part-time employment, that would be doing a great service for these people.

We also have the hon. Minister of Agriculture (Mr. Goodfellow) who has 1,465 farmers' clubs to look after, young boys and men who meet once a month, some 17,000 of them, to discuss the farm and ways and means of bettering their lot. He does not know this, but the hon. Minister has the control of termites, more or less. If termites are a problem to anyone write to Professor Benning, the Ontario College of Agriculture, and he will advise what to do. We still have plenty in Woodbine riding.

The hon. Minister also has the Ontario College of Agriculture, where some 2,200 students are enrolled, and the department is also building a \$1 million veterinary college at the Ontario College of Agriculture.

The hon. Minister also has charge of The Hog Marketing Act. I hope he understands that Act, because, frankly, I do not, and I am going to leave that to the farmers of this assembly to figure it out.

When I was a lad living in South Bruce, it was my job to look after the pigs, and feed them before I went to school. We had one old sow who had 6 pigs, so on a Saturday I made a little trough for the pigs. Those young porkers grew and grew and pretty soon this trough was too small. There were 6 pigs, and only room for 5 to eat at one time. We had labour troubles, even 35 years ago, because we had a hired man who quit his job because he said he would not work for a farmer who had 6 pigs, and only room for 5 to eat out of the trough at one time. If I had been in politics, I would have made the trough big enough in the first place.

It seems to me in the Act, where the farmer has to take pigs — and we used to really feed them before we marketed

them so as to get the maximum weight when taken to the station — when he takes the pigs to the station and then to another place for storage and then to the slaughter house, they are going to lose weight. Unless they are given some tranquilizing pills or something, somebody is going to lose money.

I hope when they are slaughtered, that we have a more humane way of slaughtering pigs than banging them on the head and immersing them in scalding water while still alive. I am sorry to say that happened under this good Progressive-Conservative government, but I hope it has been corrected.

While on the farm question, I have here a potato. This is an American spud. We have imported 260 million pounds of American potatoes—some of them sweet potatoes, and we exported only 116 million pounds to the United States. No wonder the farmer is disgruntled when he has to put up with things like that.

Last year I had a chicken pie from Texas, and now there is honey coming in from Florida. We are buying too much foreign goods. What is the correction? Tariffs? No. I do not think so, because if we put a tariff against the American potato, they will do the same against us. Therefore, I think the answer is common sense: We should train ourselves and our children to buy Canadian produce when they go into the marketeries and pile their baskets high. The farmers themselves are advertising "Drink more milk"; they should also advertise "Buy Canadian grown products."

We also have the hon. Minister of Public Works (Mr. Griesinger), and we are very fortunate in having a man who understands construction. The hon. Minister has built a 500-room hospital in Smiths Falls, and a 560-room hospital in Woodstock, and will have to build many more hospitals to take care of the hospital needs when Ontario's hospital plan comes into effect.

It is this same hon. Minister whom we have to thank for this speaking

system in this chamber. I understand there are some 36 miles of wire under these tables: sometimes politicians get their wires crossed, but when there are 36 miles, that is a lot of wire.

I do believe the installation is a great improvement. It has the faculty of tuning up voices and tuning down the voice of the hon. Leader of the Opposition (Mr. Oliver). When the school children visit the chamber to see and hear, they can really hear, and I notice the people who visit us, now stay longer than they used to, and we know now they are here because they want to hear the speeches and not merely because they want to stay out of the cold or because they could not get a seat in the picture show.

There is one thing I would like to suggest before I pass on, and that is this: a good job has been done on the speaking system, but what about the cafeteria on the second floor at the end of the hall?

I am not finding fault with the service, the waitresses or the food, but the equipment in that old cafeteria must be 35 or 40 years old; it is antiquated. We would not find that any place else in the city. I believe it is time we spent a little money and put in up-to-date kitchens, and have short orders, and I think it would be a good thing for the hon. members when they come here for the session. Would the hon. Minister keep that under consideration?

Then, Mr. Speaker, we have the hon. Minister of Public Welfare (Mr. Cecile). Under his administration, 300 beds for the aged have been provided, the government is paying 50 per cent. of the costs. There are now 8,000 disabled people. We passed a law not more than a year or two ago, and it has worked out very well, 8,000 people are now benefiting, people who formerly were a burden on their family, now get pensions.

However, I would like the hon. Minister to carry it a little further. In my riding—and this is a case which does not happen very often — we

have a young lady whose Mongolian husband died and she gave birth to a baby and there is no place to put her youngster until he is 4 years of age. This young woman would like to go out and work but she cannot earn enough money to support herself and the baby, so consequently she has to be on relief.

I think in that case we should do something, but there is no provision. This is not meant in the way of criticism because I think the hon. Minister is doing a fine job.

I was on the welfare committee at the city hall for a number of years, and from this experience I know the problems with which the hon. Minister is faced. The department is well organized and is doing its best to look after needy persons.

Then there is the hon. Minister of Health (Mr. Phillips), and he is the busiest man I have ever seen. I was in his office just once, and he was trying to answer two telephones at one time, and there was a long line of people waiting to see him.

No wonder he is busy, he has 22,000 mental patients to look after in the hospitals under his jurisdiction. Some 24,000 beds have been added to general hospitals in the municipalities. The province of Ontario has contributed \$7.3 million towards the construction and equipment of the institute of radiotherapy in Toronto for cancer research, that dreaded disease which I hope some day we will conquer.

Then there is the hon. Minister of Reform Institutions (Mr. Foote). It was my pleasure this year to be in England at the time the Victoria Cross winners were being reviewed by Her Majesty Queen Elizabeth, and along with the hon. Minister we had our Sergeant-at-Arms, Major B. H. Geary.

It was quite a sight to see; to sit on the sidelines amongst people from all over the world and watch the Queen pin the badges on the Victoria Cross holders. We in this chamber should be very happy and proud that we have two men

out of 500 who have won the Victoria Cross for bravery.

The hon. Minister has quite a job to do, and this does not come under his department, but there seems to be quite a crime wave. Recently, we have had the case of suspected foul play in connection with the brother-in-law of the hon. member for Glengarry (Mr. Villeneuve). I know some of my friends have had hold-ups and have been beaten up, and according to the locksmiths they have never been so busy putting new locks and chains on doors, because of this epidemic of crime.

I do not know what causes it; when people are working, one would think they would be happy and contented, but there seems to be a crime wave, and I do not know how we can stamp it out.

Possibly our movies and television have something to do with it. "Whipper" Billy Watson pointed this out this morning to the committee, when he was discussing wrestling, and he said, "You should see the movies where one man pumps 5 shots into another."

Mr. Watson also pointed out the story recently of two young lads who went to the movies and saw a wild west show, and then came out, bought guns and took them down to Rosedale ravine. In this case, one chap was killed, and that is just one example. The crime wave is getting more serious all the time.

Then, we come to the hon. Minister of Education (Mr. Dunlop) and he also is a busy man. During 1955, 1.1 million pupils attended school in Ontario; we built 481 building projects to accommodate 77,000 pupils. We gave grants for education of \$84 million; grants to universities will be nearly \$16 million. The enrolment at universities was 25,000 and only 2.5 per cent. of the students going to school ever attend university.

I am very pleased to see that the universities and industries in this country are taking steps to raise funds so as to increase the attendance. I spoke about this a year or two ago, and I claimed then that the industries should contribute more money to assist the universities,

and I have been talking about it ever since.

In these matters, a person cannot just stand up and say it once, he has to follow through afterwards, and in many cases I have followed through with letters, and got things churned up, and then there is the chance that something will happen.

There was recently a meeting at St. Andrews-by-the-Sea, and Mr. James S. Duncan of the Hydro was there, and the industries are being canvassed for funds, and, of course, they can take it off their income tax. But, unfortunately, I have learned the leaders give only one half of one per cent. to education, but even if they give 5 per cent., they will only be giving 6 per cent. of the cost, so we as hon. members of the government have to shoulder more and more expenses as far as universities are concerned.

Then, we have the hon. Minister of Mines (Mr. Kelly) and he is a very versatile gentleman and has all the answers to any questions. That is the kind of person we need in that particular job because people cannot go away empty handed. Mining is second only to agriculture in its gross annual product, producing \$578 million worth of minerals.

The hon. Minister of Municipal Affairs (Mr. Warrender) has 972 municipalities to keep happy and that must be quite a job. The hon. member for Riverdale (Mr. Macaulay) gave us quite an illuminating address on finance and I will not attempt to equal him. However, in 1939, regarding the division of the tax dollar, the federal government kept 52 per cent., gave the province in 1939, 16 per cent. and the municipalities 32 per cent. In 1957, they keep 80 per cent., the province gets 6.3 per cent. and the municipalities 13 per cent., so they only give away 19.3 per cent. against 48 per cent. in 1939. In spite of that, our provincial government has contributed to the municipalities 50 cents for every dollar they raised. This is a question we will have to solve in the future.

The hon. Minister of Lands and Forests (Mr. Mapledoram) is also a

busy man, because last year he planted 28 million trees. He is in the real estate business, too, and has sold 1,200 summer cottage lots.

I wish all hon. members of the House would visit the Jack Miner sanctuary at Kingsville, because that is the second largest tourist attraction in the province of Ontario. First is Niagara Falls, and then we have Jack Miner's sanctuary, and it is a great sight to see the geese coming in from away up near Hudson Bay and James Bay; a dot in the sky is seen and the geese gradually come down and down, then land on a lake. How they find the lake is beyond me, I suppose it is instinct, but at any rate they know from experience that there they are safe.

The Americans go there by the hundreds. American government officials visited and looked over the situation and went back and built sanctuaries of their own to attract the geese, and these sanctuaries cost them from \$1 million to \$2 million, yet the province of Ontario contributes only \$1,500 to Jack Miner's sanctuary, and the Dominion government contributes \$6,500. We should, as a province, give at least the same amount as the Dominion government, \$6,500.

The other night I was sitting at home and my wife and I were reading the papers and she said, "I think that is disgraceful, those horses left to starve in northern Ontario, why do you not do something about it?"

I asked: "What do you expect me to do, go up and look at every mining camp and lumber camp and see if they have left the horses out?"

She said: "You fellows at Queen's Park make me sick, you just sit there and do nothing about it."

When the ladies get perturbed, I think we should do something, and see that the horses or donkeys or any other animals are looked after either in the country or in the city.

Then we have the hon. Minister of Highways (Mr. Allan), and I am happy to see that he is back after his accident and looking so well. I must say I agree

with the hon. Leader of the Opposition that the highway from Montreal to Windsor is developing too slowly; we will be old men before it is built. We have a short season here for road building, perhaps from June to the end of September, and it never seems to occur to them that they could work under floodlighting and have 3 shifts and could accomplish 3 times the work. The people of Ontario are tired of waiting for more and better roads.

The hon. Attorney-General (Mr. Roberts) has been busy too; he has been putting new gowns on magistrates and judges, and has found a broom and is sweeping down the cobwebs in the courtrooms. Now they are nice and clean and spic and span, and that is the way they should be. He has 86 probation officers supervising 6,000 offenders of the law who are supporting their dependents, rather than going to jail which causes a hardship for their families. This has worked out very well and I hope they continue with it.

The hon. Minister of Travel and Publicity (Mr. Cathcart) has been welcoming 18 million tourists from the United States who spent \$250 million here, \$20 million of which was in gasoline tax. I am looking to the future, and I think the tourist business in this province is a lot like the mining business, it has just been scratched. We Canadians are fortunate in that our dollar is good in any country of the world, just the same as the American dollar.

There are people in Europe who would like to come over and see what we have, but they cannot get the currency. The only people we see from Europe these days are diplomats or businessmen who have some authority or rank. The ordinary person cannot come because of the currency restrictions, and I think the United Nations should work out something on that, and that is when we will really reap the benefit from the tourist business.

In reference to the currency business, I have a friend who is an hon. member of the House of Commons in London. He has a farm in the north part of

England. He wrote me that he wanted to buy a farm of 100 acres in Ontario; so we corresponded quite a while. When he came over he had a thick file describing the opportunities across the country. I knew then that he did not to buy a farm. All he wanted to do was to show those letters to the Bank of England and get enough money to come over to see what we had over here. That is the kind of thing they have to do in order to take a trip to Canada.

I would also like to point out to hon. members — I have pointed this out before — that we in Ontario should have a national airport, either at Windsor, London, Toronto, Oshawa or Weston. A national airport would allow planes from every country to come here. Every country in the world today has an air line whether they can afford it or not. Even Ireland has its own, and its planes fly to other countries. But in Canada there is only the Trans-Canada Air Lines, which is our own company, the Canadian Pacific Airlines, and American Airlines which can land out at the airport.

It is true we have Trans-Canada Air Lines which we own—it is our company—and they are doing a good job. The same as the Hydro, it is owned by the people, and it should, of necessity, carry the people internally. If one is travelling from here to Montreal or Ottawa, it would have to be by TCA. But when it comes to interchanging from one continent to another we, of necessity, should have a national airport here.

I also believe that we should have an airlift from Detroit, Cleveland and Buffalo to the Collingwood and Gravenhurst areas in the wintertime for skiing. This has been a wonderful winter for that, and we could have had thousands of people up there. We need to have somebody with a little initiative to take on such a project, because with the modern airplane today people could leave Detroit at 8.00 a.m. and have lunch in Collingwood; they could have an afternoon's skiing, and could be back in Detroit, Cleveland or Buffalo on the same day. Why we are not doing it, I

do not know, but it is something that the department should promote.

I also do believe that the department should have more money, and should get more people going to our north country. I had one or two hon. members from northern Ontario to the Lions' Club the other night, and they talked about the wonders in the north and they were enthralled; they were "lionized" afterwards. They talked of the wonderful country we have there.

Of the people in southern Ontario, 90 per cent. have not been any further than North Bay, and think when they go to North Bay that they are in the north country. They are just on the fringe of it. When the highway is completed up there — and I hope they get along with it faster — we should have hotels all along for the people to stay, so that they can go up and see the wonders — the thousands of lakes and the fishing, the mining and the lumbering, and all the good things we have to offer in the north.

We have the hon. Minister of Planning and Development (Mr. Nickle), and he certainly gave us quick action in the Hungarian relief fund, and I think that it was a great benefit to have the hon. member for Bellwoods (Mr. Yaremko) go over to Austria to see the state of affairs and the conditions there and to report back to this House.

This department has a new Deputy Minister. He is a man beyond reproach and married to quite a famous person, Miss Plumtree — her mother was Alderman Plumtree, quite famous some years ago. The Deputy Minister's father is Dr. Tyrrell, whose picture was in the *Globe and Mail* this morning. He is quite a famous mining engineer.

We are in very good hands in having Mr. Tyrrell, but I must say that this department needs an overhauling. I do not say that in a derogatory sense, but we know that when the hon. Dana Porter set up that department some 10 years ago, it was all right then, but since then things have changed. Other departments, such as that of Travel and Publicity, have a committee set up where

one can take one's ideas and discuss and bring them forward, but The Department of Planning and Development is just the same as it was when it was inaugurated.

We have set up another committee of 4 men to investigate "metro", and what are they going to do when they bring in their report? There is no place to take it. We must set up a committee of planning and development to correct the inequalities and the hundreds of things that are there, and Mr. Tyrrell can not do anything about them because the department is operated on the basis of the statute set up by the hon. Dana Porter 10 years ago. This country is growing by leaps and bounds and it is time it was corrected.

The next department we have is that of trade and industry, which is the sparkplug, or should be, of this government. It is under that department that we foster trade, and I think they are doing a fine job during the last few years. Toronto is not the "hog town" that people think it is, we do not want to have all the industries here, we want them decentralized, out in the outskirts. The money all comes to Toronto anyway, so we would like to see it decentralized more.

One can go to their offices now and name any town he likes, and they will reach for the file and tell him all about it. Take the northern part of Bruce county, for example, because I know it best. Wiarton is getting a plywood factory, I believe. Owen Sound is getting one, and so is Goderich.

AN HON. MEMBER: And Wallaceburg.

MR. FISHLEIGH: And Wallaceburg has one or wants something. Goderich is sitting on top of the world anyway, they have the new Dominion Tar, and have enough salt under Goderich to last the rest of the world for 50 years. So they have an asset which not many towns have.

However, that department does need enlarging.

We have only 3 offices, one in London, England, the Ontario House, where they are doing a fine job under "Jim" Armstrong; then we have another office in New York which I have not seen; and another one in Chicago, making 3 offices to promote Ontario to the rest of the world. Mr. Speaker, that is not enough, because we here in Ontario are walking a tight rope and one of these days we are going to fall off.

The point is this, we are spending in the United States \$1,280 million more than they are spending here. Our total deficit last year was \$888 million, but with the United States the difference was \$1,280 million. That condition could not exist if it were not for the fact that the Americans have found a good outlet for their money in our north country and in the oil wells of the west, and they are bringing in \$3 billion or \$4 billion a year, which offsets the difference.

As long as that condition continues we are all right, but supposing they should stop, what would happen? Well, we would be in a predicament, we would fall off the tight rope.

This is the time we should prepare for such a circumstance, and should be opening more offices all over the world to sell our produce. We produce about \$9 billion worth of manufactured goods here in Ontario, and should be opening up markets for it.

I was in Barcelona, at their trade fair, last summer and I asked to see the manager, through a lot of interpreters. Gradually I got to the top, and he asked if I would like to see the fair and I said I certainly would. So they got out an electric car and there were two policemen on each side and two interpreters and the manager in front, and ourselves.

There were 26 miles of display in that trade fair in Barcelona, it being one of the better ones in Europe—there are dozens of them every year over there—and we went along through the displays and over there everybody stands at attention while the car passes and I really felt pretty important. Nevertheless, I asked: "Where is the Canadian dis-

play?", and they could not find one, there was not a Canadian display there any place, in all the 26 miles of merchandise in all those big buildings. They appeared to have all other countries represented there.

One of the interesting things, too, was that they had German cars on display and there were big crowds around a 30 horse power model. Then they had an American Ford, with nobody looking at it at all. I asked: "Why do they not look at the Ford?" Well, the answer was that the German car would go 110 miles an hour on 30 horse power, the Ford with 170 or so horse power would only go 110 miles an hour. "Therefore the German car is far better."

The Germans are able to sell their motor cars in every country, in spite of the currency problem. The reason we are not showing our merchandise over there, or in any other country, is because we are on the dollar basis, they are on the peso, the franc, or the pound, and we cannot interchange our currencies, therefore we can sell only to a selected part of the world. But the Germans are able to overcome that, and to some extent the British as well, they can go "back to back", as they call it, the pound against the dollar, and we have to be more progressive in our thinking and outlook.

I would suggest that it is going to cost a lot of money to put Ontario on its feet as far as exports are concerned. We are too young, we have expanded too fast internally, and we have not looked to the future externally.

I suggest that we combine ourselves, that Quebec, Ontario and Manitoba go together. We all possess the same assets, for example, in the northern part of Quebec they have the Pre-Cambrian Shield, which runs right across the northern parts of Ontario and Manitoba as well, and in that shield there are as many potential assets as have all the United States put together. We have those assets in common, and instead of 3 offices, with one in England, we could have one office and open more and more.

We should be more friendly with our neighbours, the people of Quebec. When I went to the Progressive-Conservative convention, it was an eye-opener to me how friendly the people from Quebec were, and I think we hon. members should go to Quebec City, visit them, and invite them here, and get to know them. And similarly we should visit Manitoba and see them and, through these development and planning boards combine our forces, open up more offices, because after all it is something like Toronto and the outside municipalities. Ontario, Quebec and Manitoba have the same ideas.

There were 60,000 Frenchmen originally settled in Quebec in the years gone by, and now there are 3 million of them, and the same goes for Ontario, where we have English, Irish and Scotch, we have grown up together and it is like a foreign land, we do not mix enough. I have gone there with the board of trade of Toronto and one would not want to meet a more hospitable group of people. The Quebec people take the visitor all through their northland, and I think the 3 of us should give leadership, especially as far as trade and commerce is concerned.

Lastly we have the hon. Ray Connell, the Minister who has to do with the Ontario Hydro. We are all pleased that the hon. Minister was appointed to that position. He is a person who will grow in wisdom and stature as he learns the Hydro, not like some politicians who just puff, puff and get bigger and bigger. The hon. Minister is one of those fellows who we are convinced will do a good job.

However, I would like to bring this to his attention. This is a very important thing and I am leaving the best to the last. I will not talk very much longer, but last year I bought a 25 horse power motor and we have been going to Oliphant for the last 40 years. It is a summer cottage resort on Lake Huron, 6 miles north of Sauble Beach, which is the fastest growing beach in Ontario, 6 miles south of Red Bay. Red Bay derived its name because the Indians

fought a battle there long ago and the shore ran red with blood.

In between those two places is Oliphant, with some 30 large islands, and it is a great place for boating. When I got there and looked at the lake, the water level had gone down a foot and a half, and stones that I had not seen for years were sticking out of the water. I did not take the motor out of the back of the car, I just took it back to the fellow from whom I bought it and said: "This is no good to me."

I did not know what the matter was, the lake was going down, and still is. Then I happened to read an article in the *Financial Post* and I found that this is what had happened:

South of Lake Huron, we have Lake Michigan and bordering on Lake Michigan is Chicago, and at Chicago there is the Chicago Drainage Canal, and that drains into the Missouri River and thus into the Mississippi and goes right down to New Orleans.

The point is that we had a very able leader, Mr. Wintermeyer, and I admired this leader very much, under the late Sir Wilfred Laurier, but in 1914 he passed a bill, in co-operation with the United States, whereby it was agreed that they could take from Lake Michigan 1,500 cubic feet of water per second—not per minute, but per second—and this water was to go down the canal so they could flush their sewage system.

Last summer there was a drought in the midwestern states, and those states prevailed upon President Eisenhower to agree that they should have more water, and the result is that they have been pumping 8,500 cubic feet per second out of Lake Michigan, which of course automatically lowers the level of Lake Huron. They are supposed to stop doing so at the end of this month, but the lobby is on, they want to continue the pumping of the water, they say that out in British Columbia the source of the Columbia River is being diverted and that since we in Canada are doing that to them, they want this

water. The result is a great hardship to boating and fishing.

But that is not the point, the point is that this is costing our Canadian Hydro per year 40 million kilowatt hours and on the United States side 45 million kilowatt hours. As the lake goes down it is also costing us 1.5 million tons of shipping each year.

So I say to the hon. Minister it is high time he got on his gloves and declared war on the United States and got rights for our water. He will have to fight Congress or the Secretary of War, they have rights to the water under the treaty of 1890. So I say, put on the gloves, remember what Sir Adam Beck would have done under similar circumstances, or the late "Bob" Saunders, to Americans stealing our water, billions of tons of it, and get the hydro commissioner back from Nassau. Get up early in Dundas, feed the chickens, and start right off for Washington and declare war.

But the hon. Minister must get this water problem fixed up.

In concluding, Mr. Speaker, I see it says at the end of the sheet here, "Prayers." I suppose the hon. members are all praying that I will stop talking, because it is getting late. However, I think it was Robert Louis Stevenson who said: "More things are wrought by prayer than this world dreams of," so perhaps that is what I will have to do, to get my wish fulfilled. Thank you.

MR. G. W. INNES (Oxford): Mr. Speaker, may I once again pay tribute to you on the efficient and dignified manner in which you control the proceedings in this Legislature. Since coming into the House I have in most cases enjoyed the co-operation and good will of hon. members and the departments in general.

However, it is quite evident to me, and it must be to visitors in the House, that some of the Conservative members are more interested in the federal government than they are in the provincial, and I would suggest that the door is

wide open for them if they can get through it.

Representing as I do one of the truly great counties of the province, namely Oxford, which population-wise is balanced, 50 per cent. urban and 50 per cent. rural, hon. members will find that it is a fair measuring stick by which to analyze the needs of the people in general.

agriculture crisis at the present time, and I strongly urge the hon. Prime Minister to seriously consider such a committee. The Department of Agriculture economics branch at the Ontario Agricultural College has been carrying out studies in farm accounting and management and the following table shows the variation in labour income on two types of farms:

	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>
General dairy farm	\$3,302	\$1,605	\$1,029	\$1,059	\$1,043
Dairy specialty	3,661	1,189	1,059	929	667

The most serious situation, as is the case in the rest of the province, is the steady decline in agricultural income. This government was seemingly quite concerned a year ago — even to the intent of calling a special session — and today they are still supposedly concerned but no concrete action is being taken. Why do the hon. Prime Minister and his cabinet continue to ignore the position of the farmer in this province?

The recently appointed hon. Minister of Agriculture (Mr. Goodfellow) has expressed some strong words on several occasions. Speaking to the Ontario Federation of Agriculture at the King Edward Hotel on November 8, 1956 he said:

It is my aim to provide legislation second to none anywhere in the world, so that you can market your own produce.

Now I trust that he and “the grass roots farmer from Hamilton, Wentworth”, as referred to by the hon. Prime Minister (Mr. Frost)—for whom I have a great deal of respect — in the interests of the agricultural industry will not be swayed by the hon. Prime Minister and the rest of the cabinet, but will stand firm to their convictions on the farm problems.

We have select committees appointed in this House from time to time, but no one in this Legislature can truthfully say that they are more important than the

According to Dr. Patterson of the farm economics branch, Toronto, farm labour, including operators, has been leaving the farm at the rate of 2,000 a month in Ontario in the past 18 months. This is twice the normal rate of 1,000 a month leaving the farms for the previous 5 years. Is it the policy of this government to have cheap food, so cheap that we force all our pioneer stock and their descendants out of agriculture?

May I impress on the hon. members that the farmers, as they become fewer and fewer, become more and more important to our economy. Some 14 per cent. of the population is producing today what 50 per cent. produced 50 years ago.

Our marketing legislation must be put in order immediately. This government has been shirking its responsibility to marketing and giving the same old excuse of “passing the buck” on to Ottawa. Definite plans must be made and made now if we are to maintain the calibre of men we have, and need, in agriculture. There is no other item of business or legislation more essential to this government for the future economy of Ontario at the present time.

Yet this government is hesitant and fails to move — certainly it is going to make mistakes — it has before and will again, but nothing so serious that amendments cannot take care of them. “Noth-

ing ventured, certainly nothing gained." There is not one doubt in my mind that the supreme court ruling can be made to work, or the cloth can be cut to fit the situation.

There are enough personnel and facilities in The Department of Agriculture and the Ontario Agricultural College to do a job for agriculture in this province. I cannot help be most critical of the operation of the Ontario Agricultural College. An advisory board was appointed by this Tory government to counsel, direct, and give advice back to this Tory government. What kind of a democratic system are we trying to carry out?

If this board does meet I think it is very seldom; if it does let it be responsible to a select committee on agriculture out of the Legislature represented by all parties. This has been nothing but a political machine for years, and it is time we started pulling together for the betterment of the college and agriculture in general. I will have more to say on this later in the budget debate, but I do not want to go into it too deeply at the present time.

May I suggest that an up-to-date board of governors be appointed for the Ontario Agricultural College and that they meet at least 4 times a year, with a select committee from this Legislature.

In this way, I feel the agricultural college financed by the taxpayer of this province could make an entirely different and more lasting contribution to agriculture for the benefit of the industry in general, which is sadly lacking at the present time. A few suggestions would include a training course along farm lines for New Canadians and others with no previous experience, and for a course in basic English. Also, a marketing and sales course in conjunction with The Department of Economics. More time should be given to research with particular attention to new uses of agricultural products.

When I was in the committee on agriculture this morning, I was asked if we are doing enough and I gave this

example: I said that right in this building we have display cases in the main lobby, yet we cannot show a showcase on agricultural products which are packaged and sold in this province.

If this government is really sincere in wanting to help agriculture throughout the province, it must give some help and study to efficiency with a view also to raising the quality of the products. In relation to the junior farm loan board, there is great need for an advisor or supervisor to co-ordinate the efforts of individual farmers with a goal in mind of producing more profit per farm.

We need more dairy herd improvement association work throughout the province. The high producing cow will make a profit for the farmer, and a low producer will lose money for him. This work has definitely not covered a large enough percentage of herds in the province.

Agricultural representatives must also be given a refresher course regularly, and brought up to date in research, marketing and so on. We have men in our service who have been there 35 to 40 years, and I have nothing against them, and they are doing a job, but they could do a better job if they were brought up to date on marketing.

I suggest that there are agricultural offices that would do a better job if they were not situated in congested high-rent areas. The Middlesex and Oxford county offices are located in downtown London and Woodstock: these could be located in the exhibition grounds, where there is ample parking and auditorium space. They would be a real service to the community—and I can assure hon. members the fair boards would welcome them.

The rent for the two offices in London and Woodstock, at the present time, is almost \$500 per month.

There are many things this government could do to help the position of the farmers, but it must not stand idly by while the farm income dwindles away while that of industry continues to rise.

I want to refer only briefly to highways, and to reiterate the words of my

leader when he said it has been a "hit and miss" game too long. In the county of Oxford, we have highway No. 100 which is a main connecting link between highway No. 2 and highway No. 7, namely, between Thamesford and St. Marys. This is a gravel road and for years we have been promised that it would be paved. The maintenance cost on this highway in 10 years would easily pay for the cost of paving it. I have had one private transport owner tell me that he would pave the road himself if the government would refund the taxes they have collected from him in 10 years.

Why should the people of this densely populated area be handicapped when they have been paying taxes into the treasury for so many years, only to see their money used for highways for the people of Toronto, who do not know what a gravelled road is? The largest percentage of Torontonians have been paying taxes for only a short period. This is indicated in the increased Toronto car population from 1951 to 1955, which is 143,740. I think this is totally unfair.

A large proportion of highway No. 401 is now nearing completion in our own county at the present time. Officials of this department have always been slaves to traffic counts, but the amazing feature to me is that they do not use traffic counts where they should. The department has seen fit to close several roads which formerly crossed highway No. 401. But do the hon. members know that no traffic count was put on some of these roads before they were closed, and that when they come to compensate they are working in the dark?

I know of one case where an official of the department has made trip after trip from Toronto only to turn the matter over finally to an independent appraiser simply because of their lack of foresight. Surely we can have more coherent and efficient departments—if not, let us turn the business all over to independent appraisers and abolish the government department completely. There is too much money continually wasted in overlapping investigations.

I want briefly to pay tribute to the schools for the retarded in the province, for the good work they are doing under adverse conditions. No doubt, most hon. members have a brief regarding their situation. In our own county of Oxford, we have two such schools. They are continually short of money and have to rely on donations and free time and transportation from interested citizens.

I would like to endorse their brief highly; they certainly are not asking too much compared to the cost per pupil of operating the provincial schools at Orillia and Smiths Falls. It is of special importance that these schools be recognized and that school inspectors visit them regularly. Some schools in the outlying counties do not get the regular clinical service that those in urban centres receive.

I would strongly endorse their brief and trust this government will see fit to consider seriously their recommendations.

To be fair to the older residents in my county who are constantly complaining to me about their meagre old age pensions, these are the people who survived the depression for years and used all their savings in doing so. These are the people who made this province what it is today. These are the people to whom this government should pay an additional grant. And may I suggest that if the federal government increases its grant from \$40, then this government should match the increase dollar for dollar.

AN HON. MEMBER: Why not?

MR. INNES: I would like to discuss for some time one of the most important services under the jurisdiction of this government, namely education, with particular emphasis on the teacher shortage in the province. The number of teachers required in the years ahead is astounding, and action must be taken now. Our future generation and society are most dependent on the quality of the educational services available. May I

quote from the speech from the Throne:

Underlying the municipal problem is that of education. The needs of our children, who are at once our greatest responsibility and our greatest asset, require that education continue to receive our closest attention.

Formidable as it is, the problem of providing classroom accommodation is not the only one; that of increasing the supply of teachers is equally pressing.

School population has now reached 1.1 million—an increase of 66 per cent. in the last 10 years—and it will double in the next 15 to 20 years. Plans will be placed before you to help our municipalities meet their educational and other requirements, not only fiscally but administratively.

Boards of education, teachers' associations, the public in general, and the press are deeply concerned and well they should be. But not so the hon. Minister of Education (Mr. Dunlop).

Let us take a look at the two levels: (1) elementary; (2) secondary.

In the elementary schools the enrolment of students has increased from 545,000 in 1945 to 880,000 in 1956, an increase of 335,000. By 1965, the enrolment will be 398,000 above the 1955-1956 level, and by 1975 it will be 619,000 above the 1955-1956 level, or an increase of 91 per cent. or almost double the present enrolment.

Now let us take a look at the teacher situation:

From 1945 to 1954, there were 11,541 teachers' college graduates, but from 1945 to 1954 there were 14,692 elementary school teacher losses—due mainly to marriage, other positions, superannuation, etc. That is, the teacher training system failed to match the loss to the system by 3,151 teachers during those 9 years, which is amazing.

Now hon. members may ask where we got the extra thousands. Teachers, long retired, have gone back to teaching; married women teachers have gone

back and, in certain areas, a large percentage of unqualified teachers had to be taken on.

The point, however, is that in those years the teacher training system was not graduating enough trainees to meet the losses, let alone the increased demand. Consequently, every available teacher from every source was used up.

In September, 1952, the hon. Minister of Education told the people of Ontario via the press that there would be sufficient primary school teachers available in the years that lie ahead. He said there was a record enrolment at teachers' colleges.

What happened? Some 1,478 graduated and the system lost 1,637, or in other words, there was a net loss to the system of 159 more teachers than graduated from teachers' colleges. From 1950-1954, the school system lost nearly 1,400 more teachers than graduated, while school boards built 4,215 additional classrooms, leaving the province with a combined deficit of 5,603 qualified teachers. I ask the hon. Minister of Education to be fair about this, especially to the people of this province.

On September 23, 1952, the hon. Minister of Education was quoted in the newspapers as saying:

Teachers are in such supply that this is the last year in which grade 13 graduates will be able to enrol in teachers' colleges with only 5 upper school subjects. In future, 8 papers will be required.

In February, 1953, only 5 months after the hon. Minister made this statement, the Deputy Minister announced a new programme whereby grade 12 graduates could take a two-year course at teachers' colleges.

This, however, is not all. In the summer of 1952, an emergency programme was launched to train teachers. It was open to grade 12 graduates whose training period was to include a 6 weeks' course at summer school followed by a year of teaching in an elementary school,

a second summer course, a second year of teaching, and then a full year at a teachers' college.

In other words, 4 years and 6 weeks after a pupil graduates from grade 8 in a public school, that same pupil can be back teaching in grade 8. Another way of evaluating the elementary interim first class certificate is to consider that a candidate for this certificate has already had 12 weeks of summer instruction and two years in the classroom before the department requires him or her to spend a full session in a teachers' college.

It is worth noting that in the past 3 years under this programme, 25 per cent. of those who enrol in the first 6 weeks' summer course and teach a year quit teaching and do not even enrol in the second summer session. It has been suggested that many potentially fine teachers find, at 17 years of age, the emotional stresses and strains of attempting to teach 35 to 40 public school students after only 6 weeks of instruction too great, and that they come to dislike teaching and yearn for something less demanding.

Even lowering of the standards of teacher training has not produced the number of teachers required to staff Ontario schools.

In the spring of 1956, 4 years after the hon. Minister of Education assured us that the supply of teachers would be sufficient, the department found it necessary to recruit additional teachers in the United Kingdom.

In the spring of last year there were 832 public school teachers in Ontario who had little or no teacher training. In May of last year the *Globe and Mail* reported that the Ontario Teachers' Federation had a list of 68 schools in northern Ontario which had had no qualified teacher for the past 6 years and that there were 50,000 children being taught by teachers who had little or no teacher training.

The needs are going to be even greater in the years ahead. By 1965, 13,766 more teachers will be required

and by 1975, 20,633. Permanent policies and solutions are drastically needed.

The shortage of secondary school teachers follows a similar pattern. Student enrolment has increased 48,556 from 1945 to 1956, which is a small increase compared to the elementary schools, but it only stands to reason that the big problem — and may I strongly emphasize this, Mr. Speaker—is coming.

In 1955 there were 170,000 secondary school students. In 1965 there will be 313,000 or a gain of 143,000 or 84 per cent., and by 1975, 440,000 or a gain of 270,000 over 1955-1956. From 1945 to 1954, some 3,008 secondary school teachers have graduated from the Ontario College of Education with high school assistants' certificates and in the same period 2,803 were lost to the system. With the addition of 683 classrooms to the system the net loss was 548 teachers. By 1965, 6,000 more teachers than in 1955 will be required, exclusive of replacements, and by 1975, 11,250 additional secondary teachers exclusive of replacements.

So great is the shortage of secondary school teachers that 1,000 of the 8,000 secondary school teachers in the province are holding special permits to teach subjects for which they are not fully qualified, the greatest shortage being in mathematics and science teachers, which is most serious.

The *Toronto Daily Star*, September 4, 1956, reports Dr. R. E. Jamieson, Dean of McGill University Faculty of Engineering, as saying:

Canadian schools are turning out only one-third as many engineers as are needed annually.

In the *Globe and Mail*, January 26, 1957, Dr. G. Ross Lord, of the University of Toronto says:

The teaching of mathematics and science in Ontario high schools has declined to such a low standard. He charged many teachers had inadequate qualifications and refused to take university courses for fear of failure to pass. He said there were signs that

students were losing respect for their teachers as authorities in mathematics and science. He said only 50 per cent. of those graduating from the Ontario College of Education who would be teaching mathematics in high school had their grade 13 mathematics.

He said that, of a survey of 630 mathematics and science teachers, 400 had not taken courses beyond grade 13.

"I know they have not averaged half-a-dozen science or mathematics specialists from the Ontario College of Education in any year of the past 10."

What has the department done? University graduates without any teacher training, but who had accepted teaching positions with school boards, were offered a 10 weeks' summer course. Following a year of teaching these emergency teachers were to take a second 10 weeks' summer course before receiving a temporary high school assistant's certificate, that is, the same certificate awarded Ontario College of Education graduates after the regular full year course. In the past two years the number of summer school students entering the province's high schools each September have equalled the number graduating from the Ontario College of Education after a full year's work, which is unfair to the students and the graduates.

The shortage of qualified teachers has had many important effects on Ontario's school system to date. Boards of education are in competition with one another for teachers. Staggered hours, overcrowded classrooms, fewer optional courses, and lower teacher qualifications have become standard procedure for many Ontario schools.

The impact of the teacher shortage, while felt in most urban areas, has been most severe in the rural area of this province. Rural communities, unable to compete with the teachers' salary schedules in the cities and towns, are losing the unequal struggle and the

quality of instruction for rural students is suffering.

And what of the future?

Let us take a look at the salaries in both the elementary and secondary schools. We will find that they have almost doubled in the last 10 years. In 1945, the teachers' salaries represented 61.5 per cent. of the total cost of education. In 1954 they represented 56.5 per cent. of the total cost or a drop of 5 per cent.

What can be done is entirely up to The Department of Education, but we cannot stand idly by and see these definite and clear-cut needs totally ignored by the hon. Minister of Education. The department is responsible for teacher training courses, teacher qualifications, for the curriculum, for school inspectors, for school construction, and, to some extent, school finance, for the superannuation fund, for student standards, and so on.

I quote from the report by Dr. Sidney Smith, president of the University of Toronto, and he quotes Professor C. Fowke, of the University of Saskatchewan:

The cold hard fact is that sooner or later—and the sooner the better for the welfare of universities—we will have to obey the law of supply and demand and pay competitive salaries for gifted people.

I have a few suggestions which could be tried by The Department of Education:

1. An active promotion project on the part of the government, teacher associations, parents and others to realize and recognize teaching as one of the most important professions in the country. People charged with training and moulding the minds of our future citizens are the most important people in a community.

I quote Dr. Sidney Smith in his report to the senate of the university:

Men and women are more important than bricks and mortar, but

first class men and women will not be available for teaching and research unless they are provided with the tools for their job.

The Department of Education has certainly not contributed to the elevating of the profession by lowering standards and certificates. I do not blame the teacher trainees, but the government, whose responsibility it is.

2. Locate training schools in more centres throughout the province, especially for secondary school teachers, with an aim of making it more convenient for the students, such as the Lakehead, eastern Ontario and northern Ontario.

3. Do away completely with the tuition charges at the Ontario College of Education. They are now \$215 per year, and for 400 students the revenue is only \$86,000 per year out of a \$100 million budget, which is very small compared to the success it could have to the province but certainly a deterrent to the student trainees.

4. It could be possible to subsidize trainees during their course or have a fund available whereby they could secure a loan and the same be paid back over a period of time after graduation.

5. A more generous provincial grant to help raise salaries to meet the competition of business and industry and consequently slow down or stop some of the losses.

6. A special drive for more male teachers so that matrimony does not deplete the teacher ranks so heavily.

7. Special incentives and considerations to rural teachers to help maintain the standards and quality of instruction obtained in the urban schools.

Now, Mr. Speaker, I have mentioned only a few solutions, but the first and foremost thing is for the hon. Minister of Education to recognize truthfully that there is a real shortage at present and a genuine threat of serious shortages in the future. There is no solution likely or possible until the hon. Minister recognizes the need. If he continues to refuse to face the facts, the government should assume responsibility and take action.

In conclusion, I hope that, as a member of the opposition of this House, my remarks will make a contribution to the debate of this Legislature and to the betterment of the people of this province in general.

MR. S. J. HUNT (Renfrew North): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. D. PORTER (Provincial Treasurer): Mr. Speaker, tomorrow the budget. I hope hon. members will pound the tables as hard afterwards as they have before.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.00 of the clock p.m.

THIRD ERRATA

(To and including February 19, 1957)

Page	Column	Line	
123	2	30	Change MR. GRAHAM to read MR. W. B.
124	1	1	LEWIS (York Humber):
446	1	13, 14	Change "Mr. Frank Flack" to read "Mr. Frank Flegg".



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, February 21, 1957

THE QUEEN'S PRINTER
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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

THURSDAY, FEBRUARY 21, 1957

3 O'CLOCK P.M.

Motion agreed to.

And the House having met.

MR. SPEAKER: Motions.

Prayers.

Introduction of bills.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. J. A. MALONEY: Mr. Speaker, I beg leave to present the third report of the standing committee on private bills and move its adoption.

CLERK OF THE HOUSE: Your committee begs to report the following bills without amendment:

Bill No. 15, An Act respecting Community Chest of Greater Toronto.

Bill No. 20, An Act respecting O'Keefe Centre.

Bill No. 22, An Act respecting the town of Pembroke.

Bill No. 24, An Act respecting the city of Peterborough.

Your committee begs to report the following bills with certain amendments:

Bill No. 1, An Act respecting the city of Ottawa.

Bill No. 10, An Act to incorporate the Ontario Professional Foresters Association.

Bill No. 13, An Act respecting the town of Barrie.

THE LAW SOCIETY ACT

Hon. A. K. Roberts moves first reading of bill intituled, "An Act to amend The Law Society Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, if enacted, this bill will give to Osgoode Hall the right to confer law degrees.

THE SUMMARY CONVICTIONS ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Summary Convictions Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, if enacted, this bill will introduce a uniform traffic ticket system.

THE CHARITIES ACCOUNTING ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Charities Accounting Act."

Motion agreed to; first reading of the bill.

MR. SPEAKER: Before the orders of the day, I would like to welcome students from Allenby Public School, Toronto; Mitchell District High School, Mitchell; Milton Public School, Milton; Vaughan Township School, North York; and the pupils from school section No. 6, North Gwillimbury, and school section No. 1, Keswick. These students are here to view the proceedings of the House and we cordially welcome them.

Orders of the day.

HON. L. M. FROST (Prime Minister): Mr. Speaker, I have received two messages from the Honourable the Lieutenant-Governor, signed by his own hand.

MR. SPEAKER: The Lieutenant-Governor transmits estimates of certain sums required for the services of the province for the year ending March 31, 1958, and recommends them to the Legislative Assembly.

The Lieutenant-Governor transmits supplemental estimates of certain additional sums required for the services of the province for the year ending March 31, 1957, and recommends them to the Legislative Assembly.

Hon. Mr. Porter moves that Mr. Speaker do now leave the chair, and the House resolve itself into committee of supply.

BUDGET

HON. DANA PORTER (Provincial Treasurer): Mr. Speaker: This budget, like its predecessors, is a reflection of the Ontario economy, of its development, its problems and its prospects. For a decade and a half we have enjoyed an extraordinarily high rate of population growth and industrial expansion, and the past year has been no exception. The quinquennial census, taken here last year for the first time, confirmed that our population has been growing by 161,000 a year — an average annual rate

of increase of 3.3 per cent., and one well above that of the rest of Canada and double that of the United States.

Ontario's labour force increased last year by 4 per cent., but with the economy operating at full draught, unemployment was at its lowest level since the Korean war. The total provincial product rose again by 10 per cent., of which about 7 per cent. represented an increase in real goods and services. The gross value of manufactured products increased by 10 per cent. Electric power generation — one of the best barometers of our economic weather — rose by 12 per cent.

In value, the output of Ontario's mines established a new record, increasing by nearly 10 per cent., while pulp and paper advanced by close to 9 per cent. Continuing the upward trend, which has now been in evidence for two years, Ontario's agricultural output and farm cash income again improved, and as the population grows the outlook brightens. Capital investment in new factories, machinery and other private and public physical assets rose in 1956 by an astounding 25 per cent. to the highest level in our history.

In any year, downward adjustments in some sectors of the economy are to be expected. Owing to credit restrictions and other factors, it became apparent early last year that some slackening in the residential construction industry was inevitable. Compared with the record year of 1955, the number of housing starts began to decline last August, while completions began to move downward in October. By the end of 1956, the number of dwelling units under construction had declined by 12 per cent. Despite these adjustments, the 52,000 dwelling units completed in 1956 approximated the record-breaking level of the previous year, while the amount of capital invested in housing was about 6 per cent. higher.

There were many signs of the steady rise in living standards. As against a 2 per cent. increase in consumer prices

in 1956, average weekly salaries and wages advanced by 5 per cent. The total income of workers and small businesses rose by over 9 per cent., while retail trade purchases increased by 6 per cent. All these advances added up to Ontario's most prosperous year — an impressive record of growth, development and achievement.

In the last 13 years, Ontario's population has increased by more than 1.5 million, while nearly \$20 billion has been invested in its factories, commercial buildings, new machinery and equipment, natural resources, housing and other capital purposes. While this rapid expansion has brought maturity and strength to the Ontario economy, it has also imposed heavy burdens upon the province and its municipalities.

To the Ontario government and the municipalities has fallen the responsibility of providing those essential services of education, highways and roads, hospitals, water and sewerage works, conservation and development projects, without which urban development could not occur, nor industry flourish. On them, in addition, has devolved a major part of the task of maintaining an economic environment that is friendly to industrial expansion, to the creation of new employment opportunities, and to the maintenance of a system of taxation that will enable our manufacturers and other producers to be competitive in the markets of the world.

The swift advance of Ontario's economy in recent years has necessitated a huge expansion in all these services. Moreover, the problem has been intensified in many of these fields by the existence of a heavy backlog of need inherited from the depression and war years. I shall have occasion to refer many times in this budget to the problems that Ontario's growth and expansion impose upon us.

The government's net ordinary expenditure in the current fiscal year ending March 31, 1957, is estimated at \$461.3 million. This expenditure includes

certain special grants and payments which I shall describe to hon. members in a few minutes, as well as the provision of \$17.7 million for sinking funds and \$57.5 million for transfer to the highway reserve account.

The province's capital expenditure, during the current fiscal year, will amount to a record total of \$175.4 million. Of this amount, \$135.3 million is for highways and natural resources and community access roads, while \$33 million is for public works, including the Ontario hospitals for the mentally ill, and conservation and development projects. Thus, the combined net ordinary and capital expenditures in the fiscal year 1956-57 are estimated at \$636.7 million, including \$75.2 million for sinking fund and highway reserve account.

The net ordinary revenue of the government for the fiscal year 1956-57 is estimated at \$461.7 million. The largest sources are: the tax rental agreement, \$160.6 million; gasoline tax, \$107 million; motor vehicle licences, \$45 million; liquor control board profits, \$54 million; succession duties, \$25 million; and revenue from lands and forests, \$20.5 million.

After provision for sinking funds and the transfer to highway reserve account, we are budgeting for an interim surplus on ordinary account of \$390,000. However, the shortfall in the province's revenue necessary to balance its overall expenditure, including that for new construction, is \$115.6 million.

In order to augment health and other services, we are again making available out of this year's revenue a number of special grants and payments which will be introduced as supplementary estimates.

While in recent years we have provided as supplementary estimates in the current year large capital grants to universities, this year such grants will be provided in the estimates for 1957-58.

Supplementary estimates will therefore be introduced to provide for the following special grants:

Education

Waterloo College—for carrying out special studies in connection with engineering	\$ 25,000
The Girl Guides Association—for the centenary world camp	25,000
The Stratford Shakespearian Festival	150,000
Royal Ontario Museum—for extension of the arts	100,000
Royal Botanical Gardens	100,000
The faculty of dentistry, University of Toronto—for increase in facilities	1,000,000
The teachers' superannuation fund	1,000,000

a tendency in some quarters to draw a line between services which could be properly assigned to the province and those which were strictly municipal in nature.

Health

Special grants of \$200 per bed will be paid to the public general hospitals for defraying depreciation costs and for other capital purposes. These grants will total \$5.8 million.

To assist nurses' training in public general hospitals, a grant of \$1.8 million will be paid to the hospitals concerned.

A special grant of \$200,000 will be paid to the Salvation Army Grace Hospital for welfare work.

A special grant of \$700,000 will be paid to the Toronto Western Hospital in connection with its teaching services.

A special grant of \$200,000 will be paid to the Scarborough General Hospital for metropolitan out-patient work.

A special grant of \$100,000 will be paid to the Ontario Heart Foundation for research purposes.

Other

The amount of \$180,000 will be paid for new research facilities of the Ontario Research Foundation.

A special contribution of \$1 million will be made to the public service superannuation fund.

These special grants and payments total \$12,380,000.

The extreme rapidity with which the Ontario economy has been expanding thrusts heavy burdens and responsibilities not only upon the province but upon the municipalities. In the face of these new burdens, there has been

It is very questionable, however, whether in practice any such delineation can be made. Just as in some fields the province can administer services more efficiently and economically than can the federal government, so, in other fields, the municipalities, which are closest to the people and can most accurately assess their local needs, are in the best position to administer the programme. This is particularly true of education, and also of certain welfare services where a means test of the people who require assistance is necessary.

But in such cases, there must be some element of financial responsibility. Where provincial monies are made available for specific purposes — as in some cases they must be, since requirements vary so greatly from one municipality to another — then efficiency and economy can best be realized if the municipality bears part of the cost. It is therefore neither administratively nor financially practicable for the province to take over the administration or assume the whole financial cost of such services.

It is also sometimes said that the municipalities should have more fields of taxation. Some 13 years ago, when we introduced a new approach to the municipal problem, it was the opinion — and that opinion still seems to be prevalent — that there was no altogether satisfactory way of granting municipalities access to additional forms of taxation which they might employ themselves. It was decided then, that

the most effective assistance the province could immediately render to the municipalities was to increase its grants to education, and this it has continued to do through the years.

While the cost of operating the elementary and secondary school system in the last 13 years has increased by about 4.5 times, the province's grants to local school boards have been increased by nearly 10 times — from \$8.4 million to \$81.2 million this year.

Nor is this all. To enhance the security and attractiveness of the teaching profession, the province, in addition to these grants, has made large contributions to the teachers' superannuation fund. This year its contribution is \$6.7 million. This is an expense that would otherwise be a cost to the municipalities and a charge on real property.

The assistance to education was intended to serve two purposes: first, to relieve the property-owner of some of the burden of real estate taxes and, second, to improve the standards of education throughout the province. Both these purposes have been served.

The province has not, however, confined its assistance only to education. The pressing need of provincial assistance for other local services has also been recognized. In many municipalities, education is the most urgent problem; in others it is roads; and in still others the cost of welfare services is relatively heavy. Thus the province's programme of assistance has had to be many-sided, and grants for all these purposes have been greatly increased.

Since provincial grants for specific purposes require a municipal contribution to ensure economy of administration, the province in 1953 pioneered a new system of unconditional grants payable to the municipalities without any strings attached, in recognition of their social welfare costs. In most instances, such grants have fully compensated the municipalities for their outlays for social welfare.

The province has also introduced other methods to assist the municipalities. In 1952, it adopted for the first

time in Canada a system of paying grants in lieu of municipal taxes on Ontario government and other publicly-owned property such as Ontario Hydro. It has established the Ontario municipal improvement corporation which, through the purchase of debentures, has provided 85 municipalities with funds to enable them to proceed with schools and water and sewerage works. It has also set up the Ontario water resources commission to undertake the construction and operation of water and sewerage works.

The province's assistance to the municipalities is therefore very comprehensive, and no part of it should be singled out without relation to the others. The programme must be considered as an integrated whole, and its value determined in accordance with what it contributes toward raising the standard of municipal services and giving tax relief to real property.

During the current year, the province's assistance to municipalities will total \$180.2 million. This is equivalent to nearly one-half of the total municipal tax levy. Thus it cannot be denied that this assistance, combined with wise municipal administration, has served to blunt the edge of municipal tax and debt increases.

The Royal Commission on Canada's Economic Prospects recently made reference to this and, as is shown in the appendix to my remarks, municipal tax levies not only absorb a smaller proportion of personal income but in terms of constant dollars per capita are today considerably lower than they were 15 to 25 years ago. Nevertheless, we recognize that municipal tax levies and debts are rising. This budget, therefore, provides for substantial increases in provincial assistance for both education and other municipal purposes. In addition, certain municipal reforms will be introduced to encourage home ownership and enhance the position of the individual who is unable to treat his local tax as an expense for income tax purposes.

Our programme of municipal assistance for 1957-58 will, I am confident,

demonstrate that we are not unmindful of the needs of the municipalities. But no one should expect all the problems which have arisen out of the past 25 years of depression, war and expansion, to be solved at once. We cannot expect to remove the backlog of need for municipal thoroughfares at one stroke any more than the province can achieve this object with respect to highways. Nor can the province or the municipalities be expected to meet the accelerated needs of water and sewerage works and many other services in a single year. Time must be allowed to provide solutions.

The need for a long-term approach is particularly evident in dealing with the problem of education. Ontario's elementary and secondary school enrolment, which this year reached 1.1 million, is expected to double over the next 15 to 20 years. Inevitably this increase in enrolment will be accompanied by a rise in costs. Our policy must therefore be formulated to provide a continuing increase in educational grants. Basing our grants on the considerations of only one year's assistance would have disastrous consequences for local school boards, confronted as they are with a relentless rise in enrolment and costs. The increases in grants of one year should not be wiped out by the forced economies of the next. The municipalities must be assured of sustained increases in provincial grants in accordance with their expanding obligations.

There is another reason why our grants should have regard for the continuing nature of this problem. One of the factors used in determining the amount of the grant payable is the value of the assessment per classroom or per person in each district. In many municipalities, assessment values differ, one from another.

The province recognizes that these differences add to the complexity of the problem and the difficulty of attaining an equitable educational grants system. Consequently, we are pressing forward with a view to having, in 1958, a

province-wide common yardstick of municipal assessments which will be used for grants, though not necessarily for local tax purposes. With the magnitude of the school grants now being paid, an equalized assessment is the only satisfactory method of achieving an equitable distribution of provincial assistance.

Although the province is making headway in this matter, it has not yet reached the stage where there is a satisfactory basis of equalization in all communities. It is imperative that we approach the problem of provincial assistance for education from the standpoint not only of 1957 but of the years 1958, 1959 and even beyond. Our immediate plans are therefore being formulated on the basis of a 3-year period.

In the first stage, commencing with the fiscal year, 1957-58, we are raising our contribution to the teachers' superannuation fund from 4 to 6 per cent., and we are providing a further large increase in grants to school boards, based mainly on the present grants system. Part of the increase will be occasioned by the growth in enrolment and average daily attendance, but an even larger part will result from the following improvements in the grants formula:

(a) At a cost to the province of \$5 million in 1957, the basic amount of school teachers' salaries included as approved cost for grant purposes for elementary schools will be raised from \$75 to \$100 per pupil of average daily attendance;

(b) At an additional cost to the province of \$1.5 million in 1957, the special per pupil grant, which in the current fiscal year has been \$6 per pupil, will be increased for all elementary schools to \$8 per pupil of average daily attendance; and

(c) At an additional cost to the province of \$3.5 million in 1957, the special per pupil grant of \$6 paid in respect of secondary schools will be increased in accordance with the following amounts

— for continuation schools, to \$20 per pupil; for high schools and collegiate institutes to \$25 per pupil, and for vocational schools to \$30 per pupil.

As a result of these improvements, the province's total grants for elementary and secondary school education will rise from \$81.2 million in the current fiscal year to \$101 million in the next fiscal year, 1957-58, an increase of \$19.8 million. The province's regular contribution to the teachers' superannuation fund, which is over and above this amount, will be increased by \$3.7 million to \$9.4 million.

The second stage of our 3-year plan will come into effect in 1958, when two major changes in the general legislative grants structure will become possible. Since it is expected that, by then, sufficient information will have been assembled to permit the equalization of municipal assessments on a province-wide basis, the grants structure will be revised. As a major proportion of the grants will be based upon these equalized assessments, it will be possible for us to introduce in 1958 an entirely new system. At the same time, we shall exercise care in order to achieve an orderly transition from the existing system to the new programme.

In this second stage, it is proposed to incorporate a basic floor in the grants system. Owing to the increase in school costs, adjustments in minimum levels will be required. An especially acute problem has arisen in rapidly expanding urban and suburban municipalities. In the light of changing conditions, the province is making a detailed appraisal of the operating and capital educational needs of our Ontario municipalities. This will be part of an exhaustive study of all aspects of school finances and administration. As this information becomes available, the province will be better able to shape its educational grants structure in accordance with the developing needs of all municipalities.

During the third stage of the plan, coming with the year 1959, additional refinements will be made. The grants system will be kept under continuous review and experience will determine

where adjustments and improvements can be made. It is recognized that the municipalities, and especially the rapidly-growing municipalities, must have additional help to meet the issue of rising educational cost.

On the other hand, the province is faced with demands from many quarters — demands for highways, roads, hospitals and numerous welfare and development services. Moreover, it should never be forgotten that there are limits to the demands that can be met out of the province's limited revenue if it is to avoid imposing an intolerable burden of taxation on its people.

I have already made reference to the special supplementary grants of \$8.7 million to be paid before the end of this fiscal year to the public general hospitals to meet depreciation, and for other purposes. These payments supplement our regular grants of \$3 million for assisting new hospital construction and of \$11.6 million for the care and treatment of indigent patients. Thus, our grants to public general hospitals this year total \$23.3 million, and next year, the regular appropriation is being increased by an additional \$1 million.

With the introduction of public hospital insurance, which we confidently expect will be by January 1, 1959 or sooner if arrangements can be made, the municipalities will receive additional assistance. This will take two forms. In the first place, the public general hospital deficits, which most municipalities assume, will be wiped out. In the second place, the costs that the municipalities are required to meet on behalf of hospitalized indigent patients will, in effect, be absorbed by the province through the payment of a special unconditional grant to commence when the hospital insurance programme becomes effective. Thus, with the introduction of our hospital insurance programme, another notable advance in municipal reform will have been achieved.

Two other tangible steps to assist the municipalities are being taken in welfare. The province will raise from 25 to 40 per cent. its contribution in support of children's aid costs.

Secondly, the province will increase from 50 per cent. to 60 per cent. its share of public assistance paid out by municipalities in the form of direct relief. These measures will involve an estimated minimum annual saving to the municipalities of \$1.3 million.

A notable part of the province's assistance has been the greatly increased subsidies to municipalities for municipal roads. A decade ago these amounted to \$9.1 million. During the current fiscal year, they will total \$46 million and, next year, we are making \$53 million available for this purpose. Besides these subsidies, the province, in the last decade, has given other indirect aid to the municipalities through the absorption within its own provincial highways system of 173 miles of road which were formerly the responsibility of the municipalities.

In many other ways the province is co-operating with the municipalities. For example, this year it proposes to base its contribution towards the cost of constructing connecting links in municipalities on a width of 48 feet of road as against a previous width of 33 feet.

This year the province, in recognition of social welfare expenditures made by the municipalities, has paid out unconditional grants consisting of a basic amount of \$1.50 per capita plus an additional graduated amount up to \$2.50. Such grants have amounted to \$12.7 million this year.

For the coming fiscal year, the grants will be as follows:

1. To all municipalities which contribute toward the cost of the administration of justice under The Administration of Justice Expenses Act and certain other Acts, the province will pay a basic grant of \$1.00 per person.

Under the present system, most municipalities have contributed to financing the administration of justice, but in recognition of the expenses they incur, the province has made certain offsetting payments. With the payment of the basic grant of \$1.00 per person, it is proposed to discontinue these provincial payments and thereby eliminate the

necessity of maintaining the present elaborate system of bookkeeping. In general, the grant of \$1.00 per person will compensate municipalities for these expenses.

2. In recognition of the expenditures made by municipalities for social welfare services, the province will pay to all municipalities a basic amount of \$2.00 per person.

3. In further recognition of such municipal expenditures on social welfare, the province will continue to pay, in accordance with the population of the municipality, an additional amount ranging up to \$2.50 per person as set out in the schedule to The Municipal Unconditional Grants Act.

To all municipalities that are providing administration of justice services, the province will therefore pay a basic grant of \$3.00 per person and this amount will range up to \$5.50 per person in the largest municipality. In order to finance this new schedule, the appropriation is being expanded to \$20.9 million, an increase of \$8.2 million.

Continuing the effect of the present Act, there will be provision in the new bill for the province to make increased payments where a municipality's population has increased by 7 per cent. or more above that in the base year or in the year in which the last adjustment was made. As the whole grant is unconditional, and may be used at the discretion of the municipality, any savings or economies realized in the administration of justice and social welfare will benefit the municipalities with respect to the financing of their other services.

In the past, provincial unconditional grants have been applied so as to effect a reduction in general tax rate on all real property. They have benefited industrial and commercial property equally with residential property. The owners of industrial and commercial properties, however, have been able to charge their municipal taxes as an expense of doing business and to deduct them from their taxable income before computing corporation income tax. Thus, in general, the net cost of muni-

cial taxes to corporate taxpayers is only about one-half of such taxes.

On the other hand, the taxpayer who owns his own home does not enjoy this advantage. To him, the cost of the municipal property tax is a net cost. There is no opportunity for him to secure a partial offset or recovery under corporation income tax.

To meet this situation, the province's unconditional grants will be applied to benefit residential and farm taxpayers only. In computing the tax rate, the council will strike its general rate for all property. Its unconditional grant from the province will then be calculated as a reduction in the mill rate on residential and farm property. We believe this measure will stimulate home ownership and also increase the number of dwellings available for rental purposes. At the same time, it will give some relief to farm property and thereby assist a sector of the economy that has not been participating in the province's general expansion and prosperity.

To assist the municipalities in undertaking the construction of schools, water and sewerage works, the province is expanding its authority to make advances under the Ontario municipal improvement corporation from the present maximum of \$50 million to \$150 million.

To summarize: the province's assistance in the current fiscal year will total \$180.2 million. Next year, even excluding indirect aids such as the province's contribution to the teachers' superannuation fund, the work of the Ontario water resources commission and the monies made available by the Ontario municipal improvement corporation, this assistance will be increased to \$213.9 million. That is \$33.7 million, or 19 per cent, more than the assistance provided this fiscal year. It is an increase of \$55.2 million in the last two years and should go far to ease the problems of the municipalities.

Certainly such a large programme of assistance affords eloquent testimony that the relationship between the prov-

ince and the municipalities is in a very real sense a partnership.

While population and industrial growth have necessitated an unprecedented expansion of municipal services, toward the financing of which a large part of the provincial budget is devoted, the province itself has been faced with mounting demands for the services administered by its own departments. These demands take a multitude of forms extending over the broad fields of education, health and welfare and the creation of physical assets such as highways and municipal roads, essential to our continuing development.

In the field of education, the province, besides providing assistance for elementary and secondary school education, must give consideration to the needs of the universities which are not only struggling with rising costs now but face the prospect of an enrolment which may double within the next 10 years and quadruple within the next 20.

To lighten their financial load and better prepare them for the huge expansion ahead, the province in recent years has increased its aid to the universities for both maintenance and capital purposes several times. In the last 5 years, the province has paid them \$17.6 million for new buildings and facilities and in this budget provision is being made for the payment of an additional \$9.7 million, making our total capital assistance in this 6-year period \$27.3 million. An additional \$1 million for the faculty of dentistry of the University of Toronto will be paid out of this year's revenue, bringing to \$4 million the capital funds which the province has now made available for new dental teaching facilities.

The province has also responded to the universities' need for additional money to finance their operating costs. In the last decade, such grants to the universities have been raised from \$3.8 million to \$8.7 million. Next year, this amount will be raised to \$9.4 million — an increase of \$700,000.

Thus, total provisional grants to universities in the coming fiscal year will amount to \$18 million. This is

another large instalment in fulfilment of the government's balanced programme to enable the universities to meet the formidable challenge which lies ahead.

In recognition of the important part that public libraries play in education, an additional \$115,000 will be paid to them out of next year's appropriation.

The greatly expanded need for school teachers has necessitated the construction of several new teachers' colleges. The new teachers' college at Hamilton is now being occupied and new teachers' colleges have been started or are very nearly at the construction stage at New Toronto and London. A new building is also being provided for the Lakehead College of Arts, Science and Technology at Port Arthur and Fort William, while a start has been made on permanent buildings at the Ryerson Institute of Technology on its present site in Toronto.

In another branch of education — the agricultural colleges — the province this year will spend \$5 million for operating expenses as well as \$1.5 million for expansion of their facilities. For next year, their maintenance and operating appropriation is being increased by \$600,000, and an additional \$5.5 million is being provided in capital for new buildings and equipment, making their total appropriation \$11.1 million.

All these educational grants and expenditures make the provincial outlay this year \$112.8 million. Next year, with larger appropriations provided for virtually all divisions, the total expenditure projected is \$145.2 million. That is an increase of \$32.4 million and I think it affords a reliable guide to the importance that this government attaches to the advancement of education.

PROVINCIAL ASSISTANCE PAYABLE TO UNIVERSITIES AND COLLEGES
FISCAL YEAR 1957-58

Universities	Maintenance grants	Special grants for capital purposes	Total	Increase in maintenance and special grants 1957-58 over 1956-57		
				Maintenance	Capital	Total
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
University of Toronto	5,800	1,800	7,600	600	-115	485
University of Toronto for Ontario College of Education	500	272	772	10	272	282
Queen's University	825	1,000	1,825	50	.....	50
University of Western Ontario ..	825	1,000	1,825	50	.....	50
McMaster University for Hamilton College	400	1,000	1,400	125	400	525
University of Ottawa for the Faculty of Medicine ..	400	1,000	1,400	125	400	525
Carleton College	225	1,000	1,225	50	.....	50
Assumption University for Essex College	150	1,000	1,150	50	500	550
Ontario College of Art	175	.....	175	25	-125	-100
Waterloo College	125	500	625	125	500	625
Total	9,425	8,572	17,997	1,210	1,832	3,042

Agricultural Colleges	Gross maintenance charges	Capital outlays	Total	Increase in gross maintenance and capital outlays 1957-58 over 1956-57		
				Maintenance	Capital	Total
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Ontario Agricultural College and MacDonald Institute	4,202	4,250	8,452	468	3,150	3,618
Ontario Veterinary College	1,097	1,000	2,097	117	700	817
Kemptville Agricultural School	357	225	582	30	143	173
Total	5,656	5,475	11,131	615	3,993	4,608
Grand Total	15,081	14,047	29,128	1,825	5,825	7,650

Education is more than a means of earning a livelihood. It is essential to provincial and national growth and a safeguard of our democratic heritage. That explains the position that education commands in the province's programme. It also affords striking proof of the province's willingness to share the burdens of educational costs with the municipalities. Education cannot wholly be a provincial matter; nor can it be wholly a municipal matter. Assuming the importance that it does, its needs can best be served through a partnership arrangement with the governments concerned.

Another major part of the government's comprehensive programme is its health services. In recent years these have been immensely improved and expanded, though at a cost that has been rising at about \$3 million a year. This year, including the supplementary grants to hospitals, our health bill will total \$63.7 million. This expenditure, of course, includes the provision of health services across a broad front.

Of signal importance is the Ontario cancer institute which will be coming into operation this year. Another is the poliomyelitis vaccine programme which is now in full stride.

There has been a striking increase in the public general hospital accommodation, toward which the government pays capital and maintenance grants. There has also been a corresponding expansion in the bed capacity of the mental hospitals constructed and operated by the province itself.

The Ontario hospital in North Bay, which affords accommodation for 764 patients, has been brought into service, while additions are being made to the Ontario hospitals at Brockville, Penetanguishene, Woodstock and Kingston. It is estimated that the cost of operating Ontario's 17 mental hospitals next year will amount to \$29.9 million.

New scientific methods and techniques are constantly being adopted in the Ontario mental and tuberculosis hospitals to accelerate the restoration to normal, useful lives of individuals who are ill or physically or mentally handi-

capped. Progress has been so marked in the tuberculosis hospitals that bed capacity is now becoming available for treatment of other ailments. There are many signs that we are on the threshold of notable advances in the treatment of mental illness. The salvage of human beings is a compelling objective and a concentrated effort will be made to give more intensified treatment.

This policy will require additional staff and equipment, involving an increase in expenditures to which, I am confident, no one will object, when the results can be translated into preventing mental illness and shortening patients' stay in hospital.

Health is such a precious asset that, despite the high standards which have deservedly won for Ontario an international reputation, we must be constantly striving for improvement, so as to bring the benefits of scientific medical advances and efficient hospital care to all our people.

It was in keeping with this objective that we proposed to the federal-provincial conference on fiscal relations in April, 1955, that all aspects of a hospital insurance plan be thoroughly studied with a view to evolving an efficient and practical plan.

As a result of Ontario's initiative, this subject was placed on the agenda, and at subsequent meetings of the federal - provincial conference in October, 1955, and again at the January 1956 meeting of the federal-provincial Ministers on Health, Ontario submitted proposals, from which has emerged a plan in which we believe the federal government will participate.

Hon. members are familiar with the federal plan and the Ontario proposal. We are confident that an agreement will shortly be reached which will make hospital insurance "universally available" to everyone in Ontario, irrespective of occupation, age or disability.

The cost and financial implications of such a programme are not to be considered lightly. That is why we have insisted on careful planning and preparation, and that decisions as to when

and upon what groups the programme becomes mandatory should be left to the province. Without efficient organization and a well-planned layout of administrative machinery and equipment, costs will be needlessly high.

The administration must also ensure that while essential hospital care is made available to all when it is genuinely needed, benefits are not used unnecessarily. Sound organization is a prerequisite of economy.

It is our hope that the hospital insurance programme will come into operation on January 1, 1959, or earlier, if it is administratively feasible. But, as it is estimated that it will require two years for "tooling up" for such a vast programme, an early agreement with the federal government is not only desirable, but imperative, if that target date is to be met.

Benefits will include in-patient diagnostic services, standard ward care in active treatment hospitals, convalescent hospitals and hospitals for the mentally ill, specific out-patient services and either simultaneously, or at a later date, diagnostic services on an out-patient basis. It will also include the care and treatment of patients in mental and tuberculosis hospitals.

Thus, the benefits are exceptionally comprehensive. They will be "universally available" and there will be no cancellable conditions. Thus, this programme will protect the individual against the catastrophic costs of long-term hospitalized illness.

The programme is to be financed in the following ways:

1. By a contribution from the federal government based on the following formula:

(a) Twenty-five per cent. of the per capita shareable costs in Ontario, plus

(b) Twenty-five per cent. of the average per capita shareable costs in Canada as a whole, multiplied by the population covered by the Ontario programme.

2. Payments by the province from its consolidated revenue fund.

3. Premiums paid by or on behalf of the beneficiaries.

4. Contributions by the municipalities in the form of statutory per diem payments on behalf of municipal indigents to meet a small part of the costs.

Because the government plan is far more comprehensive as to its benefits and will afford protection, such as hospital coverage for elderly and disabled persons and others suffering from catastrophic ailments—protection which is not available in existing plans—it is not possible to make accurate comparisons of the premium rates which will be charged through the government programme and those that are being charged by existing private plans. It is apparent, however, that the costs of the new hospital insurance programme will be heavily subsidized by federal and provincial contributions, and therefore the premium rates ultimately adopted for this plan will be extremely attractive and indeed considerably lower than those of existing plans which do not afford such broad coverage.

Many advantages stem from this programme:

First, it makes the benefits of hospital insurance available to many persons who, because of age or physical or other disability, are unable to obtain a prepayment method of insurance benefits.

Second, it resolves the problem of the crippling financial costs that arise from prolonged hospitalized illness.

Third, through the contributions made by the federal and provincial governments, the premium rate will be brought within the financial capacity of a much larger proportion of our population than would otherwise be possible.

Fourth, through the province's payment of premiums on behalf of the social assistance cases — the known indigent case load — the hospitals will be relieved of the deficits arising from the care and treatment of indigent patients.

Fifth, the municipalities will realize considerable savings through the province paying premiums on behalf of indigents and the elimination of hospital deficits which have been recognized obligations of the municipalities.

While the municipalities, to preserve administrative economies, will be required to pay a per diem charge on behalf of hospital indigents who are resident in their municipalities, the province, on the coming into operation of this programme, will pay them a special unconditional grant, which will, to all intents and purposes, relieve them of these indigent costs.

Moreover, those municipalities which have been paying the deficits of hospitals will be saved this expense.

With population growth, there are inevitable increases in welfare expenditures. During the current year, expenditure on welfare is estimated at \$29.4 million and next year \$34.5 million is being provided. The principal increases will be in payments to charitable institutions, children's aid and mothers' allowances. More than 5,000 persons are now benefiting from supplementary old age assistance payments, of which the province pays 60 per cent. and the municipalities the remainder.

The position of children under The Mothers' Allowances Act is being improved through broadening the basis of payments. Steps are also being taken to make dental care and treatment available to all Ontario children under 18 years of age who are the sons and daughters of social assistance cases.

Many homes for the aged are coming into operation under our policy of providing welfare services for the needy.

To cope with the mounting traffic on our highway and road systems, the province has, this year, carried out the largest volume of highway and road construction in its history. The province itself has spent a total of \$203 million, of which \$110 million has been for new highway construction, \$48 million for maintenance, and \$45 million for subsidies to municipalities for maintenance and construction of new roads and thoroughfares.

Out of their own revenue, the municipalities themselves have spent an additional \$46 million, thereby bringing the total expenditure on highways and roads in the province during the past year to \$249 million.

Compared with this expenditure, revenue in motor vehicle licences and gasoline tax has totalled \$152 million, or three-quarters of the combined expenditure on highways and roads.

Although this expenditure is producing many improvements, the magnitude of our task also continues to grow. Motor vehicle registrations are still rising rapidly. The increase over the previous year — 5.5 per cent.—although smaller than that in previous post-war years, still represents an additional 90,000 motor vehicles on our highway and roads system, compared with an average annual increase of 100,000 in the last decade.

It is estimated that the rate of increase in Ontario's traffic volume in this period has been more than double that in the United States.

Studies of future needs leave no doubt that this highway and municipal road construction programme must be continued and expanded. Accordingly, we are providing for a provincial expenditure next year, excluding credits to highway reserve account, of \$233.4 million—\$30 million more than is being spent in the current fiscal year.

Of this amount, \$181.4 million will be for the maintenance and new construction of highways and \$52 million will be for the payment of subsidies to the municipalities. This appropriation, together with the municipalities' share of their expenditures, will make possible an overall highway and road programme totalling \$284 million.

Steps are being taken to ensure a more efficient checking of motor vehicle weights on highways. For the purpose of weighing trucks and checking their loaded weights against their declarations, a number of new permanent weigh stations will be established, and it is also intended to introduce mobile weighing scales. The whole system of

checking truck weights is being re-organized.

Many new physical assets, far too numerous to mention in detail, have come into service or have been under construction during the past year. These include not only teachers' colleges and hospitals, but buildings for the various departments, storage dams, remedial works, and other conservation and development projects. During the past year, the establishment of the Sixteen Mile Creek authority brought to 20 the number of authorities now operating across Ontario.

Recently the 4 conservation authorities in, or adjacent to, metropolitan Toronto were united to form one authority. Work on the Conestogo dam on the Grand River has been advanced. A number of smaller but nonetheless vital flood control works have been started at various sites. Flood control projects are also under way at Paris, Guelph and several other places.

Aided by the government, the number of small ponds on farms is being extended. Additional funds are being provided for forest protection, conservation and development.

During the current fiscal year, the various departments concerned will have spent \$20.2 million for such purposes and for next year their appropriations are being increased to \$27.9 million.

An important feature of our programme is the expansion of provincial park lands. The new co-ordinating parks board, which will direct this policy, will be supplied with ample funds for its purpose.

The extension of electric power services into the rural areas of the province is another striking development. In the past year, more than 11,000 additional rural customers were added to the lines, bringing the total number of rural customers now being served to 430,000. Of all those now receiving rural electric service, 68 per cent. have been connected for power in the past 13 years.

During this current year, the province's outlay for assisting rural line construction and betterment has totalled \$7 million and next year \$8.7 million is being provided in furtherance of this policy, an increase of \$1.7 million.

In the housing field, we are co-operating with the federal and municipal governments in serviced land assembly and other housing projects. Three additional housing authorities have joined in the plan to provide rental housing. Discussions are being held with a number of municipalities with respect to urban re-development. For the coming fiscal year, we are providing \$5.9 million in the estimates to advance the various housing projects in which Ontario is participating.

I have endeavoured in the foregoing to give a review of the province's overall programme. I believe everyone will agree that the programme is comprehensive. But large and comprehensive as it is, it is certain—barring some major upset—to be larger next year, the year after and so on. The explanations of this are readily at hand.

The main services that the province and the municipalities provide bear a very direct relationship to the growth in population and the expansion of industry. Our population, now increasing at an average rate of 15,000 per month, is growing more rapidly than ever before. The recent tragic events in Europe have given fresh stimulus to migration to this province, and this occurs at a time when our own natural increase, arising from our high birth rate, is also breaking new statistical ground.

Larger population spells more children in our schools, more patients in hospitals, greater demand for water and sewerage works, and a wider range of provincial as well as municipal services. It also seems to spell more motor vehicles, and therefore increased expenditures on our highways and municipal roads system.

This period of expansion coincides with a period of high interest rates that inescapably saddles our province and municipalities with higher costs, which

must be financed out of taxation over many years. We have, of course, been passing through an exceptional period. The amount of capital investment in both the private and public sectors of the economy has far exceeded that of any previous year. This has greatly intensified the demand for investment funds.

In these circumstances, we have co-operated with national objectives to contain inflation by deferring some projects which we had intended to undertake, but there are decided limits as to how far the province and its municipalities can go in postponing works which are so closely tied to social and industrial needs.

It must be remembered that provincial and municipal capital works were reduced almost to the vanishing point during World War II, and even following this, owing to inflationary pressures and shortages of labour and material, we were not free to proceed with the volume of public investment that the situation demanded.

The province cannot always go on cutting back projects for which it is responsible. As the economy grows, so must provincial and local services.

It is plain that to carry out its own programme and to give assistance to municipalities, the province will require substantially greater revenues. Over the last 13 years, it has financed nearly two-thirds of its capital projects out of current revenue. In this period, \$826 million of new physical assets in highways, hospitals, public buildings and developmental projects have been created, of which all but one third has been financed from current revenues.

But the province's capital programme has recently been so large that an increasing proportion of it must be financed by borrowing. In the past year, the province was obliged to enter the domestic capital money market for two loans aggregating \$110 million. It also borrowed \$50 million for Ontario Hydro in the New York market and guaranteed Hydro bonds of \$155 million financed in the Canadian market.

The province, which either borrows directly for, or indirectly guarantees the bonds of, the Hydro Electric Power Commission of Ontario has, in the past 13 years, pledged its credit in this way to the extent of \$1.4 billion.

Through the Ontario municipal improvement corporation, the province has also purchased the bonds of many municipalities. It has set up the Ontario water resources commission. It has provided loans and capital financing for housing, land drainage and for establishing young farmers on farms of their own. It has pledged its credit for the Ontario Northland Railway and undertaken to furnish temporary financing for part of the natural gas pipe line running from the Ontario-Manitoba boundary to Kapuskasing.

The ability of the province to assist development in these varied ways depends upon its maintaining a strong credit position.

In view of the accretion to our physical assets over the last 13 years, the increase in the province's net debt is very modest. On a per capita basis the nominal increase in this period is only 15.6 per cent. Indeed, the burden of our debt is much lighter than it was a dozen or more years ago as the following table clearly shows:

<i>Fiscal year ended March 31</i>	<i>Province's net capital debt in current dollars</i>	<i>Net debt in constant 1935-39 dollars</i>	<i>Net debt per capita in current dollars</i>	<i>Net debt per capita in constant 1935-39 dollars</i>	<i>Net debt as a pro- portion of personal income in Ontario</i>	<i>No. of times net debt is of Ontario govern- ment's revenue</i>
	(\$ millions)	(\$ millions)	\$	\$	%	times
1939	478.7	477.3	129.31	128.92	28.3	5.5
1944	485.7	404.1	122.81	102.17	14.4	4.1
1957 ¹	786.8	356.0	142.02	64.26	8.7	1.7

¹ Preliminary—subject to revision.

In spite of our strong financial position, it is apparent that our capital spending requirements are rising more rapidly than our revenues. The projection of our expenditures over the next 4 or 5 years leaves no doubt that, without substantial additions to our revenues, we would be obliged to resort increasingly to the money market to finance our capital programme. Furthermore, these capital acquisitions would conflict with those of the municipalities and other large public borrowers such as Ontario Hydro.

This is undesirable. We should not be competing with the municipalities which are themselves hard-pressed, and in the process drive up the cost of capital borrowing to them as well as to ourselves.

It is therefore imperative that we appraise our financial position not only in the light of next year's position, but of that in the years beyond. We have said that the province of Ontario needed an additional \$100 million in revenue over that in sight. We were not exaggerating, nor were the figures inflated. Indeed, since then the evidence multiplies that we understated our requirements.

While the province's revenue has not been sufficient to cover its total expenditures and its debt has been mounting, the federal treasury has been filled to overflowing. The federal government has been able to reduce its debt and, at the same time, to set aside out of its present surplus \$100 million that will not be spent next year but be spread over many years. Nearly half of its large surplus comes from Ontario taxpayers. It is derived largely from revenues to which we have an equal claim, and it is being attained at a time when interest rates are high and borrowing is difficult.

Special difficulties are being created for our municipalities. Our contention that the federal government is overtaxing in the direct tax field is fully substantiated. An abatement of some of the direct taxes that it has employed to produce this surplus would ease the problems of the province and its municipalities.

During the past year, we have continued our negotiations with the federal government on the new fiscal arrangements first discussed at the federal-provincial conference in April, 1955, and later in October of the same year. These arrangements were described fully in my budget address of last year.

Hon. members will recall that Ontario proposed a schedule of federal tax credits or abatements somewhat higher than the federal government had offered. These were:

(a) 15 per cent. of the federal government's individual income tax collections in the province;

(b) 15 percentage points of corporation income in the province; and

(c) 50 per cent. of the federal government's collections of succession duties in the province.

Had the federal government accepted these rates, the province's share of these tax fields would have been — in the case of corporation income tax — less than one-third, while the federal government's would have been more than two-thirds; in the case of personal income tax, the province's share would have been only one-seventh, while the federal government's would have been six-sevenths; and finally, in the case of succession duties, the province's participation would have been equal to that of the federal government.

Instead of these rates, which we considered reasonable and within the federal government's financial capacity, abatements have been fixed at:

(a) 10 per cent. of the federal government's personal income tax collections at 1956 rates;

(b) 9 percentage points of corporation income; and

(c) 50 per cent. of the federal government's succession duty collections.

Thus, under the arrangements that have been proffered by the federal government, the province's share in the personal and corporation income direct tax fields, which were regarded for half a century after Confederation as the special preserve of the province, is less than one-fifth of combined federal-

provincial corporation tax collections and only one-tenth of personal income tax collections.

In view of the growing magnitude and importance of provincial services, we cannot accept this as a realistic division of these two major fields. If allowed to continue, it would erode the basis of provincial and municipal finance. We have striven to convince the federal government as to the soundness, equity and enlightened self-interest that would be served by a more accurate appraisal of Ontario's requirements.

We have pointed out that the \$155 million of annual equalization or subsidy payments to the other 9 provinces, while Ontario receives nothing, will come to a large extent from Ontario taxpayers. Thus, a policy of the federal government which endangers growth and expansion in this tax-earning province may also operate to impair its capacity to finance not only these equalization payments, but indeed, its whole expenditure programme.

A 15-15-50 formula instead of 10-9-50 would have been fair and equitable, and not beyond the capacity of the federal government to carry out, but though they have been unwilling to accede to this, we must still go ahead. To temporize, to fail to meet our problems as they arise would be a dereliction of our responsibilities and a handicap to the development of our municipalities, the province and the nation.

We must emphasize policies that promote development and production under a system of moderate taxation. If we achieve this objective, we will be better able to undertake advances in human betterment. There will be no place for frills or non-essentials, no room for extravagance. That has been our policy in the past and it will be our policy in the future. Even if we confine ourselves to essentials, our task will be big enough.

We are faced with irresistible demands for services. We cannot expect our children to wait for schools and teachers. We cannot expect the same highway and road system to accommodate more and more trucks and passenger cars. Illness does not wait for hospitals. To expand

industries and urban population, we must have water. Pollution must be reduced and controlled.

In the lakes and streams of this province we enjoy a priceless asset. The realization of this will grow steadily as our development proceeds. We must ensure that projects are undertaken to conserve the purity of these waters and that they are effectively utilized for the benefit of all. Thus, we must proceed with our programme and we must expect to pay for it.

Provincial taxation in Ontario is, by all standards, moderate. We have not imposed some of the consumer goods taxes levied in other provinces. Nor have we imposed a general sales tax as have 5 other provinces. We have striven to avoid imposing that tax, and we have succeeded.

We are, however, now obliged to effect a moderate increase in tax rates in several provincial fields. The additional revenue provided is essential to the continued progress and prosperity of Ontario. This is what we propose:

The government will introduce legislation authorizing Ontario to enter into an agreement with the federal government under which the province, for a 5-year period commencing January 1, 1957 and ending December 31, 1961, covenants to suspend its rights to levy individual income tax in return for an annual rental from the federal government payable in monthly instalments, equal to 10 per cent. of the federal government's individual income tax collections from Ontario residents at 1956 rates of tax.

If federal income tax rates are changed, an adjustment in Ontario's proportion of the federal government's collections will be made to ensure that the amount of the rental payable to Ontario will always be 10 per cent. of federal income tax collections from Ontario residents at 1956 rates. It is anticipated that the province's revenue from this source in 1957-58 will total \$63 million.

A new Corporations Tax Act will be introduced under which all corporations

now taxable under The Income Tax Act of Canada that transact business in Ontario will be taxed at the rate of 11 per cent. of the income they earn in this province. The new rate will be effective January 1, 1957. The measurement of taxable income will be precisely as defined in The Income Tax Act of Canada.

The allocation of taxable income between Ontario and other provinces where the corporation concerned does business outside Ontario, as well as in Ontario, will also be as provided by The Income Tax Act and Regulations of Canada.

The province's special business taxes on capital and places of business, which were in effect from 1947 to 1951 inclusive, will be re-imposed at the same rates as applied under The Ontario Corporations Tax Act which was suspended at the end of 1951, except that any corporation income tax payable to the province will be deductible from the special business taxes (excluding the insurance premium tax) otherwise payable, so that the amount of the special taxes (excluding insurance premium tax) will be payable only to the extent that they exceed the amount of the Ontario corporation income tax to which companies are subject.

In effect, excluding the insurance premium tax, companies will pay an amount equivalent to the higher of the corporation income tax or the special business taxes.

With the federal government's 9 per cent. abatement, companies will be able to offset all but 2 per cent. of Ontario's corporation income tax. Thus, Ontario, with respect to corporation income tax, is restored largely to the position that it occupied relative to the other provinces between 1947 and 1951.

While our rate of corporation income tax may be 2 per cent. higher than that in other parts of Canada, most of the other provinces have special business or consumer goods taxes that we do not have in Ontario. The revenue from corporation taxes in 1957-58 is estimated at \$160 million.

The Corporations Tax Act will include also a tax of 2 per cent. on all insurance companies calculated on the gross premiums that become payable by policyholders with respect to risks in Ontario, after deducting re-insurance ceded to registered insurers in Ontario. This tax replaces the tax formerly payable by the same companies under The Excise Tax Act of Canada, which was repealed as of December 31, 1956, and it does not involve any increase in taxation. Revenue from this tax is estimated at \$10 million.

A bill will be introduced to amend The Mining Tax Act, raising certain rates of royalty tax based upon the income of each mine above \$10,000 and changing somewhat the basis of taxation in accordance with arrangements made with the federal government. The new rate compared with the present rate is shown as follows:

<i>Profits</i>	<i>Present rate</i>	<i>New rate</i>
	<i>%</i>	<i>%</i>
On the first \$990,000	6	6
On profits over \$1 million		
but up to \$5 million	8	11
Over \$5 million	9	12

Besides the increase in rates on companies with profits over \$1 million, the province, as a result of its negotiations with the federal government, has obtained more latitude in determining the proportion of a company's profits allocated to mining operations. As in the past, companies engaged in mining operations will be allowed to treat these taxes as an expense, and to deduct them from their taxable income before calculating the federal tax. The same procedure will be followed for provincial corporation income tax.

Total revenue from mining operations in 1957-58 is estimated at \$16.3 million, an increase of \$9 million over revenue in the current year. Approximately \$7 million of this increase will derive from higher rates and the expanded profits basis of taxation.

The present rate of tax on income from logging operations, namely 9 per

cent., will not be increased. However, as the result of negotiations with federal authorities, the profits basis upon which logging tax may be applied has been enlarged, and this will result in increased logging tax revenue to the province. The province's logging tax, like its mining tax, may be treated as an expense for federal and provincial corporation income tax purposes. It is estimated that our logging tax revenue will be increased from its current level of about \$900,000 to \$2 million.

Effective at 12.01 a.m. tomorrow, the gasoline tax will become 13 cents per imperial gallon, an increase of 2 cents per gallon over the present rate. A bill authorizing this increase will be introduced at once.

The regulations under The Gasoline Tax Act will be revised so that all purchasers of gasoline, other than farmers and commercial fishermen, who use gasoline for purposes other than to generate motive power for motor vehicles on highways, may receive refunds at the rate of 11 cents of the 13 cents per gallon paid. Farmers and commercial fishermen will receive the full refund. Accordingly, all aviation gasoline and all other gasoline used will be subject to a net charge of 2 cents per gallon.

With this increase in the gasoline tax, Ontario's rate is brought into line with the rates effective in Quebec and Prince Edward Island, but it is still less than those in Nova Scotia, New Brunswick and Newfoundland.

Despite many improvements to the highway system, the rise in construction costs and the general increase in the real income of our people, the gasoline tax has remained at 11 cents per gallon for the last 16 years — indeed, ever since April 1, 1941, when the federal government superimposed on the provincial rate of 8 cents a 3 cents per gallon excise tax. In 1947, when the federal government repealed this tax, the province continued the 11-cent rate.

Translated into real values, the new rate of 13 cents per gallon is lower than

the gasoline tax was in both 1947 and 1939. This information may be summarized as follows:

	Current rate of Gasoline Tax	Constant 1939 dollars (Deflated by index)
	cents	cents
1939	8	8
1947	11	8
1957 (February) 13		7

It is estimated that this extra 2 cents per gallon levy will yield additional revenue in 1957-58 of some \$20 million, increasing the total yield from this source to \$131 million. Even with this additional tax, however, the revenue from motor vehicle users will still fall many million dollars short of meeting the province's expenditures on highways and municipal roads.

It is the government's intention to raise the tax on diesel fuel used in motor vehicles to 20 cents per gallon. Previously, diesel fuel used in cars and trucks has been subject to the same rate of taxation as gasoline. But the experience of operators in both Canada and the United States, supported by extensive tests, has demonstrated that, on the average, cars and trucks using diesel fuel secure from 40 to 65 per cent. more miles per gallon than cars or trucks of the same weight using gasoline. The justification of a higher rate on diesel fuel is, therefore, universally acknowledged. It is estimated that the 7 cent per gallon differential for diesel fuel will bring in additional revenue of \$1.5 million. This new rate will come into effect on April 1, 1957. Until then, the gasoline tax rate will apply.

This tax, which is intended to defray the costs of the fire marshal's office, has remained for some years at a rate of one-third of one per cent. of fire insurance premiums with respect to business transacted in Ontario. Although the cost of the fire marshal's office has risen progressively in recent years, so that it is now double the revenue derived from the tax, the province has been prevented from increasing this rate by

the tax rental agreement, which is now expiring. Thus, to obtain a closer balance between the revenue and expenditures of the fire marshal's office, this rate is being raised to two-thirds of one per cent.

The present licence fee imposed on brewers at a rate of 8.7 cents per gallon will be replaced by a new rate schedule estimated to yield additional revenue of \$5 million.

The tax increases set out in this budget will produce additional revenue estimated for the coming fiscal year at \$59.5 million as follows:

	<u>\$ Million</u>
2 per cent. additional corporation income tax plus special business tax	26.4
2 cents per gallon extra on gasoline ..	20.0
9 cents per gallon additional on diesel fuel	2.0
Additional mining and logging taxes ..	6.1
Increase in gallanage fee on beer production	5.0
	<u>59.5</u>

The province, in addition, will receive an increase in revenue from the following sources which will not involve any additional taxation on our people:

	<u>\$ Million</u>
Corporation income tax (Province's share of field raised from 8½% to 9%)	6.5
Personal income tax (Province's share of field raised from 5% to 10%)	31.5
Insurance premium tax (2% formerly levied by federal government)	10.0
Improvements in mining tax and logging tax formulae	2.0
	<u>50.0</u>
Less: Effect of tax rental escalator on succession duties and statutory subsidy	11.0
	<u>39.0</u>
Total of additional revenue	<u>98.5</u>

In 1957-58, we are budgeting for net ordinary expenditure of \$491.3 million, including provisions of \$20 million for highway reserve account and \$17.8 million for sinking fund. The largest expenditure items comprise: \$139.5 million for education, not including \$5.6 million for the agriculture colleges; \$94.8 million for health and welfare; and \$93.6 million for highways and municipal road subsidies.

Capital expenditure is forecast of \$218.5 million, of which \$158.5 million is being provided for highways and municipal road subsidies for new construction and \$45.9 million for public works, \$8.7 million for rural power extensions, and \$4.2 million for special conservation works. The combined ordinary and capital expenditure forecast for 1957-58 is, therefore, \$709.8 million, including a total of \$37.8 million for highway reserve account and sinking fund.

The province's estimated overall expenditure for 1957-58 will therefore be \$73.1 million higher than in the current fiscal year, including in both years provisions for sinking fund and highway reserve account. Of this increase, \$33.7 million represents increased grants to the municipalities, school boards and other local agencies.

Net ordinary revenue for 1957-58 is forecast at \$574.4 million which, together with net capital receipts of \$1.2 million, makes a total of revenue of \$575.6 million. This is an estimated increase in 1957-58 of \$112.3 million over that in 1956-57.

The forecast of revenue and expenditure for 1957-58 may be summarized as shown in the table, page 539.

It will be apparent from this comparison of our expenditure and revenue for 1957-58 that the tax increases proposed in this budget are very modest, and they are absolutely essential if we are, in the light of the impressive growth in our assistance to municipalities and expansion of our own services, to maintain a sound position.

FORECAST OF EXPENDITURE — 1957-58

ORDINARY EXPENDITURE*	\$ million
Education, health and welfare	234.3
Highways (including \$20 million for highway reserve account)	93.6
Natural resources, conservation and development	36.9
Other departmental expenditure	55.4
Unconditional grants	20.9
Debt interest	32.4
Provision for sinking funds	17.8
Total ordinary expenditure	491.3
CAPITAL EXPENDITURE	
Highways and natural resource access roads	129.8
Subsidies for municipal roads	30.0
Hospitals and other public buildings	45.8
Rural power extensions	8.7
Grants for conservation	4.2
Total capital expenditure	218.5
Grand total	709.8

* These expenditures are shown by departments. Expenditures on the agricultural colleges are therefore included under "natural resources, conservation and development."

FORECAST OF REVENUE — 1957-58

	\$ million
Rental of personal income tax	63.0
Corporations tax	160.0
Succession duties	23.0
Logging tax, Crown timber dues, game and fish licences, etc.	24.6
Mining tax	17.6
Gasoline tax and diesel fuel tax	134.0
Motor vehicle licences	47.2
Amusement tax for hospitals	4.2
Security transfer tax	4.0
Liquor control board of Ontario	65.6
Miscellaneous	31.2
Total net ordinary revenue	574.4
Total net capital receipts	1.2
Grand total	575.6

Mr. Speaker, I have shown that to meet our financial responsibilities arising from an unprecedented programme of development, we must increase our tax revenues. Not only are we charged with providing the normal necessities which stem from growth, but we are obliged to cope with a rate of expansion in our economy that creates special problems for us.

The expansion of our services is indispensable to the utilization of the long-term opportunities open to our industries and people. To succeed in this, we must maintain a strong financial position and this we intend to do. By the steps proposed in this budget, it

will be possible for us both to carry out our programme and strengthen our credit.

If the burden of our net debt is to be fairly assessed, it should be viewed in relation to our present revenues and our potential revenues.

Thirteen years ago the ratio of our net revenue to our net debt was of the order of 1 to 4. In other words, 13 years ago it would have required the net revenue of 4 years to retire our outstanding net debt. During the present fiscal year, the ratio is of the order of 1 to 1.75. Accordingly, it would require the revenue of 1.75 years to retire our net debt.

Our position has therefore immensely improved, and this comparison would be even more favourable on the basis of the increased revenues for which we are budgeting this year.

In the light of these facts and our extensive investments in human and material assets, which have enhanced the productivity of our people, we can truly say that our credit position is stronger than ever before.

But we face heavy demands for our services, and we are compelled to obtain additional revenue by way of increased taxation. The federal fiscal arrangements have not been sufficient to meet our essential requirements. These arrangements which concern income tax, both corporate and personal, deal with direct taxes. They cover fields of taxation in which the province has an equal right to participate.

Although the federal government has now recognized, at least in principle, our right to tax in the manner that we have been advocating for the last 6 or 7 years, they still ignore in these changing times the extent to which we are entitled to share these revenue sources. They are in possession of these fields owing to the exigencies of war. They have withdrawn from them in a manner and to a limited extent of their own choosing.

These direct taxes have contributed largely to their swollen surplus. And this is a surplus remaining after they have made full provision for all capital as well as ordinary expenditures.

They fail to recognize the vital importance to the federal treasury in the long run of Ontario's maintaining a strong credit position and at the same time carrying out its necessary development programme. They fail to grasp that the economic growth of this central and most productive province has a beneficial influence far beyond its borders. They do not comprehend the size of our job now, nor do they foresee our accumulating problems of the future.

They do not realize that an unnecessary increase of the aggregate taxes paid

by our people is not in the general interest. They fail to see that 10 per cent. of the personal income tax to us and 90 per cent. to them is not good enough; that 9 per cent. of the present corporate income to us and 38 per cent. to them is not our rightful share in view of our contribution.

Amidst the throes of a dynamic economy, they have assumed an attitude of timidity. For Ontario, it is rigid; it is unrealistic; it is deplorably shortsighted. Whether we may in the future be faced with the horrors of war, or may continue to enjoy a prolonged era of peace, the financial and economic vitality of Ontario will be one of the main sources of strength upon which the federal government will have to rely.

They fail to perceive that the living strength of a great democracy derives from local government that is strong, independent, with revenues adequate to do the job, and free from an oppressive tax load. Just as they are 5 years too late in acknowledging the principle that we put forward 5 years ago, I predict that if they persist in their present course, they will awaken to the fact 5 years from now that they were again 5 years too late.

Whereas under the conditions of modern development, the functions of the federal and provincial governments of necessity become to some extent intermixed, they are in reality engaged in a joint programme covering the whole field of public affairs. This is also true of the province and municipalities. Their relative responsibilities can never be separated into air-tight compartments. Financially and administratively they are engaged in a vast joint undertaking which involves provision for education, welfare, administration of justice, physical assets and a wide range of property and civil rights. This is today in total a billion dollar job.

The demands of modern society have emphasized the necessity of moving step by step to achieve co-operation in the provision of services and an equitable but still economic distribution of the tax load. As municipal budgets in-

crease, the inequities of real estate taxation become intensified. To relieve real estate of some of its tax load, we have distributed to the municipalities in as fair a manner as possible more and more provincial revenue obtained from a variety of our tax sources. No one tax is completely just in its incidence. All have defects.

Thus, moderate increases in a number of taxes is the best method of approach. The tax increases proposed in this budget adhere to this concept. It is the expansion of our policy of assistance to the municipalities and relief to real estate that makes additional tax revenue necessary. It should, however, be recognized that this policy can be continued only so long as the province's financial position remains strong.

If we review our whole joint programme with the other levels of government over the last 13 years, and project it into the future, we may grasp the immensity of its impact upon the life of our people. In some instances we have co-operated and shared costs with the federal government to achieve objectives upon a national scale; in some others we have co-operated and shared the costs with the municipalities. In still others, we have assumed the whole cost.

A list of the main subjects affected is a vivid reminder of the benefits of provincial assistance. Some of these are new; some are of long standing, but infused with new life and quality by provincial funds. Some are just at the beginning and their fulfilment lies in the future.

And we have now reached the threshold of a much heralded reform—hospital insurance.

All these undertakings carried forward into the future impose an increasing strain upon provincial finances. Such undertakings will grow rather than diminish in the years to come.

The continued rapid growth of Ontario holds out wider and more diversified opportunities for our people. It offers the prospect of steadily increasing improvement in living standards. Given wisdom and understanding, economic

advances may be the foundation for better living in the fullest sense. They give more and more people the opportunity to share increasingly in the physical comforts and conveniences of life. They open the door to the fulfilment of the infinite variety of aspirations that urge men and women forward in their manifold activities.

These many new avenues of opportunity offer a wide range of choice of occupations. They draw out the many latent talents that otherwise would die unsuspected and unused. They point the way to work that fits the bent and ambition of the individual. For work under such conditions becomes work well done. It is a sure foundation for satisfaction and happiness. And with this come enhanced opportunities for the employment of leisure in its innumerable facets, so many of them yet untapped, so many of them yet unrealized.

It is these possibilities opening to Canadians everywhere that will determine our greatness as a nation. The swiftness of change and the furious rapidity of the development which overwhelms us may seem at times beyond our comprehension. We shall not despair because our responsibilities are great.

Despite the impending clouds of war that threaten, despite despondency, despite the dislocations that attend upon change, despite internal controversies, it is good to be a Canadian. It is a privilege to live in Canada in this exciting time. Let us lift our eyes to the future, for the horizon is ever-widening. In the strengths, the skills and the minds of a united people we can see the stuff of achievements beyond imagination. Amidst the fever of prodigious growth, a vista lies open before us of wonder and enchantment. We are engaged in the adventure of freedom in its dynamic sense; freedom to do; freedom to create; freedom to achieve.

MR. J. J. WINTERMEYER
(Waterloo North): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

Introduction of bills.

THE GASOLINE TAX ACT

Hon. D. Porter moves first reading of bill intituled "An Act to amend The Gasoline Tax Act."

Motion agreed to; first reading of the bill.

HON. L. M. FROST (Prime Minister): Mr. Speaker, before I move the adjournment of the House, might I make mention of one or two things.

The first of them is this: it is always a delicate matter to lecture the press as to what they should do although they so often lecture us as to what we should do. May I point out, however, that in the introduction of a budget of this sort there are many things to be considered.

In the matter of tax changes there are sometimes conditions which might affect the stock market, therefore disclosures might distort ordinary business and cause undue changes.

As a consequence, at this time we adopted what was very obviously the thing to do — the policy that I think is adopted at Ottawa — and that is that the tax change portion of this budget was not given to the press until 11 or 12 o'clock, and the members of the press were kept in a room together until 3.30 o'clock. That is the usual practice in those cases. The other sections of the budget relating to the great reforms in real estate and other matters were given to the press before, because they were not so apt to affect the money market and things of that sort.

May I point out that we do this — and I think it is altogether desirable to advise the press of these things — so they may get the facts to give to their readers, and to the public who listen to the radio and watch television.

I may say that we count on the press to do that, and if one breaks the line, then it is difficult to ask the others to hold the line. I am somewhat surprised

therefore that the Toronto *Daily Star* today would come out before this House actually had convened, quite considerably before the deadline, and state that as a matter of fact business and gasoline taxes "are to be levied."

I admit that they did not name the rates, but said: "New corporation levies, gas tax, to help 'Frost' get \$100 million more."

MR. MacDONALD: They have been saying that for 3 weeks.

HON. MR. FROST: That is all right, but this is the part I rather object to:

One new provincial tax plus increases in a number others; levies were announced today in the Legislature by the hon. Dana Porter in his annual budget address. Ontario will impose a tax on corporation incomes. The 11-cent gasoline tax will be increased to 13 cents.

I point out it is difficult to hold the line, and it is fair that we should hold the line for all, and I do not want one newspaper to scoop another even if it is in a moderate way. That is given not as a forecast — which, after all, one cannot prevent nor should one prevent the press from doing — but to say that, as a matter of fact these things happened, may be subject to some question.

Mr. Speaker, tomorrow we will continue with the Throne debate and possibly some bills. On Monday I hope to proceed with the debate on the air pollution committee's report and with some of the items on the order paper. On Tuesday we shall proceed with the criticisms of the hon. member for Waterloo North (Mr. Wintermeyer) and, following that, we will, of course, engage in budget debate or any other orders on the order paper. That, Mr. Speaker, is the order we shall follow for the next 3 days.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I would like to ask the hon. Provincial Treasurer

a question which arises out of a particular statement in his budget presentation: what will be the effect if the federal government does not comply with the ultimatum in respect to hospital insurance? Is it the plan of the government to withdraw the offer?

HON. MR. FROST: I have made that claim before, it is a deal, and if they do not come in, there is no deal, and that is it.

MR. OLIVER: By March 31st?

HON. MR. FROST: I think the hon. Leader of the Opposition will agree with this, I should certainly say an agreement before dissolution. If these governments cannot come to an agreement before dissolution, I think there would be a very small opportunity of coming to an agreement afterwards.

MR. MacDONALD: In other words, hospital insurance is still a football between here and Ottawa?

HON. MR. FROST: I did not say that, that is what the hon. member said.

MR. MacDONALD: That is the inevitable conclusion from what the hon. Prime Minister said.

HON. MR. FROST: I said this: we are ready to make an agreement as our hon. Provincial Treasurer has stated, our proposal is drawn precisely within the 4 corners of the offer which was made by the federal government on January 26, 1956, and there should be no difficulty in arriving at an arrangement.

It is wholly desirable to come to an arrangement and I think you will agree with that. We should make an arrangement for this reason, this province is faced with what the hon. Mr. Martin has called a "Herculean" task in the integration of our present insurance coverages involving several thousand labour-industry contracts. This involves a matter of coverages involving nearly 4 million people in this province. The

more one looks at it, the greater the problem seems to be.

This is not any secret, it was not used as any secret yesterday. I had a lengthy conversation with representatives of the civil service, and I told them they would be one of the first groups to come under the mandatory provisions of the plan, since I hope it will be mandatory for them when the operation of the plan comes into effect.

We would expect to have many hundreds of thousands, perhaps millions, of people covered when this plan comes into effect. But may I point out the problem is involved, in that the civil servants are interested in surgical and medical benefits, as are other groups in industries as well as private individuals.

They are interested in certain other features which are not covered and could not be covered by any basic plan. It is a "Herculean" job to deal with, not only some 35,000 people who are in our service, but some 4 million people in the province of Ontario. We hope to aim at a very large coverage of our people, and when I used the figures of 85 to 90 per cent., that is certainly what we are aiming at, as soon as it is feasible to do these things.

It is now nearly March 1st and it gives us 22 months to the tentative date we set of January 1, 1959. During that 22 months, I can assure the House there is going to be the most intensive work on the part of our departmental officials and the commission which will be in charge of the plan.

The advancement of the date is wholly dependent upon the federal government's acceptance. All hon. members, I think, will agree that it is desirable that we have this matter cleared up before March 31st.

MR. OLIVER: I was wondering about the setting of the arbitrary deadline.

HON. MR. FROST: I say this most definitely, this agreement should be reached before there is a dissolution of

the federal Parliament; if we cannot agree on a plan that is within the 4 corners of the conditions in the plan they offered 14 months ago, what hope is there to obtain it afterwards? It seems to me that now is the hour of decision.

MR. NIXON: Their offer was in case at least 6 provinces indicated a desire to enter into the scheme.

HON. MR. FROST: That is right.

MR. NIXON: Then we are to understand that the final date of the hon. Prime Minister's ultimatum is dissolution, not March 31st.

HON. MR. FROST: I never like delivering ultimatums.

MR. NIXON: It certainly sounded like it.

HON. MR. FROST: Our approach is founded on common sense, if there is not an agreement and something upon which there should be no difference, because our proposal is identical, premised on their offer, and if we cannot agree on that before there is a dissolution of the federal Parliament, I think we can look forward to another period of about 4 or 5 years of "shilly-shallying." I think we ought to get down to business.

To deal with the point about the 6 provinces, and the majority of population, if Ontario agrees and enters into an agreement, it cannot be effective until the other provinces agree, but at least we would have this, we could get on with the job.

After listening to the eloquent last paragraph of the hon. Provincial Treasurer's speech, I am optimistic enough to have hopes that the govern-

ment at Ottawa will change that formula for 6 provinces, because it is meaningless.

MR. MacDONALD: Mr. Speaker, they have 5 now, all they have to do is persuade the Liberal government of Manitoba and they will have 6.

HON. MR. FROST: They should join the provinces anyway, and they should pay Saskatchewan and British Columbia the amount which is due to them and let us get going and never mind that formula.

MR. WINTERMEYER: Mr. Speaker, would the hon. Prime Minister care to tell us specifically what the difference is between the two governments at the present time?

HON. MR. FROST: I can see no difference; all we need is their signature on the dotted line, that is all.

MR. WINTERMEYER: Will the hon. Prime Minister assure this House that he will permit his commission to make the decision on when the coverage becomes absolute?

HON. MR. FROST: That is right.

MR. WINTERMEYER: The hon. Prime Minister will give us that undertaking? He will communicate that to Ottawa?

HON. MR. FROST: I have already done so.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5.00 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Friday, February 22, 1957

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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick G. Lewis, Clerk

FRIDAY, FEBRUARY 22, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: I beg to inform the House that the clerk has received from the commissioners of estate bills, their report in the following case:

Bill No. 16, An Act respecting the Hamilton Health Association.

CLERK OF THE HOUSE THE SUPREME COURT OF ONTARIO

HONOURABLE MR. JUSTICE GIBSON,
HONOURABLE MR. JUSTICE MACKEY.

Osgoode Hall, Toronto 1,
February 21, 1957.

Roderick Lewis, Esq., Q.C.,
Clerk of the Legislative Assembly,
Parliament Buildings,
Toronto, 2.

*Re: Private Bill No. 16, An Act respecting
the Hamilton Health Association*

SIR:

The undersigned commissioners of estate bills, as provided by The Legislative Assembly Act, RSO 1950, chapter 202, section 57, having had the said bill referred to us as such commissioners, now beg to report thereon.

We are of the opinion that the provisions of the bill are not proper for carrying its purposes into effect in that the supplementary letters patent provided for the maintenance and operation of laboratories and all other services incidental to such institution and to a research organization in problems of any disability, illness or disease, and to provide instruction to students in medicine and in laboratory technique, as well as for the treatment and cure of patients as provided for in the bill.

We hereby submit the amendments to the bill which, in our opinion, are proper and necessary in order to carry its purposes into effect. In the place and stead of section 1 of the bill the following section should be substituted:

Notwithstanding any trust or limitation created by any donation, gift, devise or bequest heretofore made to the Hamilton Health Association, whether heretofore or hereafter received by the association, the association may use such donations, gifts, devises and bequests for all or any of the purposes authorized by the supplementary letters patent, and in accordance with the objects and by-laws of the association.

We are of the opinion that the provisions of the said bill, as amended, are proper for carrying its purposes into effect, and that it is reasonable that such bill be passed into law.

The bill duly signed by the commissioners and the petition for the same are accordingly returned herewith.

We have the honour to be, sir,
Your obedient servants,

(signed) COLIN GIBSON
F. G. MACKEY

Commissioners of estate bills

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. D. M. KERR: Mr. Speaker, I beg leave to present the second report of the standing committee on education and move its adoption.

CLERK OF THE HOUSE: Mr. Kerr presented the second report of the standing committee on education, as follows:

Your committee begs to report the following bill without amendment:

Bill No. 63, An Act to amend The Public Libraries Act.

Also to report the following bill with a certain amendment:

Bill No. 70, An Act to amend The Teachers' Superannuation Act.

Motion agreed to.

MR. SPEAKER: Motions.

Introduction of bills.

THE TEACHERS' SUPERANNUATION ACT

Hon. W. J. Dunlop moves first reading of bill intituled, "An Act to amend The Teachers' Superannuation Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill conforms with the one announcement in particular made in the budget speech yesterday, providing that, as at the present time, teachers contribute 6 per cent. of their salaries to the teachers' superannuation fund, and the government contributes an amount equal to two-thirds of the amount contributed by the teachers; the effect of this amendment is that the government contribution will equal the amount paid by the teachers. That is the real purpose of the bill and it will be referred to the committee on education.

THE NURSING ACT

Hon. M. Phillips moves first reading of bill intituled, "An Act to amend The Nursing Act, 1951."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this amendment to The Nursing Act has to do with 3 things primarily.

The first is, it is designed to authorize supervision of nurses' registries for the

protection of the public, and persons seeking employment in nursing.

Secondly, it authorizes registration of persons as certified nursing assistants, who have received training in nursing outside of Ontario.

Next, the amendment is designed to regulate the sale of practical nursing courses by commercial organizations.

It is proposed that any course of training in nursing being sold or offered for sale or advertised for sale must be approved by the Minister. It is not our intention at all, that the amendment apply to training courses maintained by hospitals or other institutions or training courses maintained by religious or charitable organizations.

In closing my remarks, I can assure hon. members that in setting up these nurses' registries which we have throughout the province where they register not only registered nurses, but also nursing assistants and also practical nurses in the various categories, and we want this approved by the hon. Minister, the public is going to be told by this registry what type of nurse they are getting, what category they are in.

THE MUNICIPAL ACT

Hon. W. K. Warrender moves first reading of bill intituled, "An Act to amend The Municipal Act."

Motion agreed to; first reading of the bill.

He said: The benefit of the unconditional grants paid by the province to the municipalities shall go entirely to relieve the burden of taxation on residential and farm property.

To attain this end, it is necessary to change these two sections of the Act which deal with the method by which municipal councils levy upon assessed properties to raise the monies which they require.

The amendments are procedural once the principle of giving the whole benefit of the grants to residential and farm property is accepted.

The new section 308 provides for dividing the whole of the assessment of a municipality into two parts which, for brevity, might be referred to as:

(a) commercial and industrial assessments, and

(b) residential and farm assessments.

Against the total commercial and industrial assessments is to be levied the same proportion of the total amount to be raised that the commercial and industrial assessment bears to the total of all assessments.

In turn, against the total residential and farm assessments is to be levied the balance of the total amount to be raised but reduced by the amount of the unconditional grant to be received.

In this way the residential and farm assessment gets all the benefit of the grants and as a result the mill rate on residential and farm property will be lower than the rate on commercial and industrial property.

The amendment to subsection 2 of section 311 provides that the amounts to be received as unconditional grants are not to be taken into account by a council in the first stage of determining how much money is to be raised by taxation. If, at this stage, the grants were to be taken into account in determining the amount of money to be raised in taxation, the benefit of the grants would go uniformly to all types of assessment and not exclusively to benefit residential and farm property. Not having been taken into account at this first stage of calculation, the amount of these grants can be applied at the second stage to reduce the share of the total which is to be levied against residential and farm property.

THE MUNICIPALITY OF METROPOLITAN TORONTO ACT

Hon. Mr. Warrender moves first reading of bill intituled, "An Act to amend The Municipality of Metropolitan Toronto Act, 1957."

Motion agreed to; first reading of the bill.

He said: The amendment to subsection 2 of section 189 provides that the metropolitan council, in preparing its estimates, shall not in the first stage make any allowance for the unconditional grants which it will receive. In this way the amount of such grants, instead of reducing the tax levy on all assessments, can be kept available to be used in reducing the levy on residential and farm property only.

The new section 190a sets out the procedure to be followed in determining the amounts to be raised by the various area municipalities for metropolitan council purposes.

It provides that the metropolitan council shall determine what proportion of the money required to be raised is to be raised by a levy on:

(a) commercial and industrial assessments, and

(b) residential and farm assessments in the whole metropolitan municipality.

The amount to be raised by levy on the commercial and industrial assessments is the same proportion of the total amount to be raised that the commercial and industrial assessments are of the total of all assessments.

The amount to be raised by levy on the residential and farm assessments is the balance of the amount to be raised, reduced by the amount of the unconditional grants.

The metropolitan council is then to require each area municipality to levy, on its commercial and industrial assessment, its share of the total amount to be levied against all commercial and industrial assessments. This share is the proportion that the commercial and industrial assessment of the respective area municipalities bears to the total commercial and industrial assessments of all the area municipalities.

Similarly, the metropolitan council is to require each area municipality to levy on the residential and farm assessments its share of the total amount to be levied against all residential and farm assessments. Again, this share is the propor-

tion that the residential and farm assessments of the area municipality bears to the total residential and farm assessments of all the area municipalities.

The results are:

(i) that all of the benefit of the unconditional grants goes to residential and farm property, and

(ii) that there is the same difference between the tax rates on:

(a) commercial and industrial assessment, and

(b) residential and farm assessments in all the area municipalities.

THE MUNICIPAL UNCONDITIONAL GRANTS AMENDMENT ACT, 1957

Hon. Mr. Warrender moves first reading of bill intituled, "An Act to amend The Municipal Unconditional Grants Amendment Act, 1957."

Motion agreed to; first reading of the bill.

He said: This boils down to 3 sections. The first has to do with the assistance of each municipality in Ontario, the taxpayers of which contribute through municipal taxes toward the cost of administration of justice in a county by way of unconditional grants: \$1.00 per capita, which was explained by the hon. Provincial Treasurer (Mr. Porter) yesterday.

Part 2 is to assist each municipality in Ontario in the provision of welfare and social services including indigent and unemployment relief, hospitalization and institutional care costs, and other services for its inhabitants, by way of an unconditional grant: \$2.00 per capita.

Part 3 forms the schedule which was in effect last year showing the set-up of payments per capita: 10 cents per capita in small areas up to \$2.50 in the largest ones.

MR. T. D. THOMAS: Mr. Speaker, may I ask just one question? I would like to put to the hon. Minister this question: Is the metropolitan Toronto area likely to receive \$5.50 per capita; is that so? Is the total amount to be put to farm and residential taxation?

HON. MR. WARRENDER: The total amount, as I understand, will be put to the benefit of residential and farm properties in the metropolitan area.

MR. WHICHER: When the hon. Minister explained about the benefits; if the benefits do go to home ownership and farm properties, first of all the tax rate has to be set as far as industry is concerned. Now, what would happen in some municipalities in this province where there is no industry at all? I am thinking of a farming township; what would be the basis there?

HON. MR. WARRENDER: I would assume in that case, Mr. Speaker, the whole benefit, whatever the grants are, would go to the municipality; it would be applied to the farm and residential people.

MR. WHICHER: How would the hon. Minister set the amount of the benefit? I understand he had to have a basis to work on, and it was the amount of industry that is in that locality. That is set and then the rest are lower.

HON. MR. WARRENDER: Where there is industry, that is the base, and then the reduction from the unconditional grants come to the balance. Where there is no industry, of course, I assume that the full benefit would go directly to residential and farm property owners.

MR. MacDONALD: Will the hon. Minister state whether these bills are to go before this new standing committee made up of members from the metropolitan area?

HON. MR. WARRENDER: Mr. Speaker, I would think not. The reason I brought them in today is because

there is some urgency, and some municipalities are now working on their estimates and they will be anxious to know and to take this into account.

THE FIRE MARSHALS ACT

Hon. A. K. Roberts moves first reading of bill intituled, "An Act to amend The Fire Marshals Act."

Motion agreed to; first reading of the bill.

MR. WREN: Will the hon. Minister explain the bill?

HON. MR. ROBERTS: The principle of this bill is very distinctly stated; to provide enough money, no more, to operate the offices of the fire marshal.

HON. MR. PORTER: Before the orders of the day, I wish to refer to a report which appears in today's press to the effect that a proclamation published in the official *London Gazette* declares as follows:

The Queen has been pleased by letters patent under the Great Seal of the Realm bearing date February 22, 1957, to give and grant unto His Royal Highness, the Duke of Edinburgh, K.G., K.T., G.B.E., the style and titular dignity of Prince of the United Kingdom and Northern Ireland. The second proclamation declared that the Queen has declared her will and pleasure that His Royal Highness, the Duke of Edinburgh, shall henceforth be known as His Royal Highness, Prince Philip, Duke of Edinburgh.

Mr. Speaker, I am sure that I speak for all parties and all hon. members of the House when I say we take very great satisfaction, indeed, upon the news of this proclamation. His Royal Highness has made many friends in this country on his several visits here, and he now has made many friends in other parts of the commonwealth. He has established himself, not only as a man of great charm and graciousness, but also as an ambassador of good-will

throughout the countries of the world where he has seen fit to travel.

MR. SPEAKER: Before the orders of the day, I would like to take this opportunity to welcome to the House this afternoon a large group representing a trade union movement. They are here to view the proceedings of the House and we welcome them.

We also have in the chamber a large group of students from the Prince Charles School, Newmarket, and we also welcome them.

MR. MacDONALD: Mr. Speaker, before the orders of the day, I would like to direct a question to the hon. Attorney-General (Mr. Roberts). Last Monday, I raised in the House the question of the Northwest Farm Forest Products Association strike in the Kenora-Rainy River district, and the hon. Minister of Labour (Mr. Daley) replied with regard to the labour aspect of the situation, but at the time the hon. Attorney-General evaded my question regarding the use of the provincial police.

This strike has now been smashed, in good part, because scores of provincial police were sent into the area where they worked hand and glove with the management.

HON. MR. ROBERTS: Just put the question and do not make a speech.

MR. MacDONALD: I draw to your attention, Mr. Speaker, that this is the first time that any hon. member in this House who rose to speak before the orders of the day was asked to reduce it even when they spoke in excess of 5 minutes.

HON. MR. ROBERTS: I object to the type of language the hon. member is using.

MR. MacDONALD: The hon. Attorney-General can object to that when I am finished. Last Monday morning, at camp 309, at the Ontario-

Minnesota Paper and Pulp Company, near One Sided Lake, there were no fewer than 17 provincial police cruisers drawn up at one time. There were more police on hand than there were picketers.

MR. WARDROPE: There are not that many. That is my riding.

MR. MacDONALD: That is not in the hon. member's riding.

MR. WARDROPE: Well, it is just next to my riding.

MR. MacDONALD: Just about 300 miles beyond it. I am not criticizing the police themselves, they were only doing their duty, but the result of their activities was strike breaking.

MR. WREN: We are not strike breakers.

MR. MacDONALD: My question is, how many provincial police were sent into Fort Francis-Kenora area and what exactly were the official orders they were working under, and have they been withdrawn now that the strike has been smashed?

HON. MR. ROBERTS: First of all, with respect to the question stripped, Mr. Speaker, of the verbiage, allegations and suggestions which are not worthy of the hon. member for York South, at least, until I have given an answer. This makes it rather difficult to give an answer to a question when it is put in offensive language. But, I do thank the hon. member for Kenora for his interjection when he said a moment ago, as I understood him, they were not strike breakers.

I would also like to say when the hon. Minister of Labour dealt with the question on Monday, he did mention the police situation and gave an answer which at that time seemed sufficient.

I had no prior notice of the question being presented to the House, and for that reason, and for no other, I did not rise at that time. I am sure I do not

have to remind this House that I do not think any hon. member here thinks that I shirk my responsibility and avoid questions. I do not think I have a reputation for that sort of thing.

May I address myself to the questions as put:

How many provincial police were sent into the Kenora-Fort Frances area?

When I heard the question on the 18th — and that was my first intimation of it — I immediately communicated with the commissioner of police to find out just what the situation was.

As hon. members of this House know, where organized municipalities are concerned, the problem of policing is one for the municipality, and unless there is a request from the head of the municipality for assistance from the provincial police, they do not go into any municipality, and the only justification for asking for assistance is on the basis that law and order cannot be preserved and there is a danger —

MR. MacDONALD: There was no threat to law and order.

HON. MR. ROBERTS: Where one gets into the areas where highways are involved, and the territory is not organized, and he is outside that type of organization, then the Ontario provincial police have their own responsibility to maintain law and order.

The particular areas in this case were in that type of country, and towards the latter part of January, of this year, as I understand it, there was something in the nature of a strike, or something akin to a strike — there may be some question about the status of individuals —involving the Ontario-Minnesota Pulp and Paper Company on the one hand and Northwestern Farm and Forest Products Association members on the other.

Up until February 6th there was no occasion to anticipate any abnormal difficulties, but on February 6th the inspector of the Kenora district communicated by telephone with general

headquarters here and indicated that he required the services of additional personnel to assist the members of his district to maintain law and order, and, in accordance with that request, some 28 constables were sent into the area.

On February 9th the inspector again communicated with headquarters pointing out that he did not feel he had sufficient forces available to cope with the law enforcement problem, as it might develop due to the widespread operations and distances that were involved and the need for adequate and proper controlling of the highways and the maintenance of open highways which, of course, is one of their main duties.

Therefore, 35 additional men were despatched to special strike duty—special duty, I should say—

MR. MacDONALD: The hon. Minister was right the first time. This is a very interesting glimpse of what goes on in the hon. Minister's mind.

HON. MR. ROBERTS: —special duty; that is a total of 63 men. These men work on 8-hour shifts, and that means there would be 3 shifts involved, so that at any one time there would be approximately 21 additional constables on duty in the area.

That was on February 9th. There were, I think, on February 12th some attempts to block the highways and prevent their use to the camps in the Vermillion Bay area, and as a result of that, some 8 persons were apprehended and charges were laid.

MR. MacDONALD: For throwing snowballs.

AN HON. MEMBER: Was the hon. member there?

MR. MacDONALD: No, but I have some pretty authoritative information.

HON. MR. ROBERTS: Whatever they were doing, they were charged with destruction by the local Crown attorney. They were released on bail, and I do

not know exactly what the situation is, but that was the situation at that time.

The hon. Minister spoke on February 18th and on the night of the 19th-20th I received a telegram from a gentleman by the name of Bruce signing himself as the executive manager of the Labour Progressive party, demanding certain things and asking for government intervention.

I was in the process of determining just what the position was, and of making an appropriate reply to him, when I received a telephone call that the parties themselves had arrived at some satisfactory settlement, and that brought the crisis, if there was one, to an end at that time. That, Mr. Speaker, is the position.

The orders of the police were certainly nothing more or nothing less than their ordinary orders of duty, namely to maintain law and order in a fair and impartial manner, to keep our highways open, and to see that everybody has his proper and just dues in the face of the law, and that will always be the position of the Ontario provincial police as long as I occupy this office.

MR. ALBERT WREN: Mr. Speaker, I rise on a point of privilege in this matter, inasmuch as it is my riding and some reference has been made to me by the hon. Attorney-General.

When this matter was raised the other day I remained silent for several reasons, but I think hon. members of this House should know some of the truth about the matter.

I reiterate a remark I made a few moments ago, that the provincial police were not strike breakers. They were asked to go in there to maintain law and order, and that is their duty, and the responsibility of the province to see that it is done, and those responsibilities were discharged.

I want to say something else about it, since the mud has been stirred up: people should take the trouble to get the facts of the matter, which are these, that there is a recognized labour

organization which has obtained, through the proper channels, the bargaining rights in this matter, and has concluded agreements with the paper companies concerned.

Those agreements run over a term of weeks, to get us, at least, through the present season, and the only people the hon. member is crucifying, and those who are helping him, are the settlers in our country, because if this keeps on they will not get the wood out nor will they get their return for it. A settlement was concluded, and the people are happy about it. All we have is this person from Port Arthur stirring up trouble.

I am one of the few labour members in this House, and I will back labour to the limit, but I do not want any characters of this kind stirring up trouble in my district, and I will back the government in this situation.

MR. MacDONALD: Mr. Speaker, I have a question—

MR. SPEAKER: There will be no debate before the orders of the day.

MR. MacDONALD: Mr. Speaker, I have a question of privilege.

MR. SPEAKER: Will you state your question?

MR. MacDONALD: My question of privilege is that both the hon. Attorney-General and the hon. member for Kenora have attempted to confuse this situation by bringing in the name of Bruce Magnusson.

SOME HON. MEMBERS: No.

MR. MacDONALD: They have. Bruce Magnusson had nothing to do with this strike at all.

MR. MALONEY: Is he one of your pals?

MR. PRICE: Mr. Speaker, I rise on a point of privilege. In Wednesday's press there was exception taken

to my remarks in the House on Monday last. I was accused of not being present at the discussion. There is no truth in that statement. Not only was I present in the council chamber when the Ward 2 Business Men's Association presented their brief protesting the Parliament syndicate proposal, but I also attended a meeting of the ratepayers of the district called for the same purpose. In my speech in the House I simply supported the cause of the small property owners against expropriation for non-public uses. I have here a letter on this matter, which I would like to read to the House. It is from Mr. J. B. Christian, vice-president of the Wellesley-Bloor Ratepayers Association, dated October 11, 1956:

For all the worried owners of homes, businesses and industries, and in particular for all members of the Wellesley-Bloor Ratepayers Association, I wish to thank you for your interest and support. For your information, I am enclosing copies of letters sent by our solicitor to the hon. W. M. Nickle, M.B.E., M.C., Q.C., Minister of Planning and Development and to Lorne Cumming, chairman of the Ontario Municipal Board.

Yours very truly,

J. B. CHRISTIAN

Vice-president, Wellesley-Bloor Ratepayers Association

I bring this before the House in order that the matter be clarified.

MR. SPEAKER: Orders of the day.

ADDRESSES IN REPLY TO SPEECH FROM THE THRONE

MR. S. J. HUNT (Renfrew North): Mr. Speaker, at this belated date I, like those who have preceded me, would like to congratulate you on the very commendable way in which you discharge the duties of your high and important office in presiding over the deliberations of this Legislature. We have found you at all times to be impartial and fair with hon. members on all sides of the House, and I am sure all hon. members of this Legislature will back me up on that statement.

I, too, would like to congratulate the hon. mover and seconder of the address in reply to the speech from the Throne. We have listened on many occasions to the hon. member for Port Arthur (Mr. Wardrope) and we know what to expect. I thought that both he and the seconder did a very good job in not only preparing their speeches at that time, but in their delivery. There was very little left that might be desired.

I would like also to pay tribute to our two late colleagues, whom I knew very well while they sat as hon. members of this House. I knew Mr. Brandon fairly well; I listened to him on many occasions here in the House when he spoke, and I certainly learned to appreciate his sincerity and his ability as a debater.

I am sure that after the services which he rendered to his own riding and to this province, his loss will be felt not only by his family but by the people of this province generally.

I was elected to the House the same year that the late Mr. Thomas Patrick from Middlesex was, and over a period of years we became very close friends. I knew him to be not only a very sincere worker for the people of his riding but one of the foremost farmers in the province.

I think this House is very fortunate indeed to be able to find such a worthy successor for the riding of York West as evidenced by the very splendid address the new hon. member (Mr. Rowntree) made at the beginning of this session.

It is some time since I gave the House a résumé of what we have to offer in the great riding of Renfrew North, which I have the honour to represent. For the benefit of some of the more recent hon. members, who perhaps have not had a chance of visiting my riding, I will, at the expense of some repetition, cover some of the ground I did some years ago.

We have one of the most diversified ridings in Ontario, it is also the second largest county and it extends from a few miles east of Mattawa down the Ottawa

valley to below Arnprior, a distance of about 150 miles. That will give hon. members an idea of its extent, and the work involved in getting around such a large riding and meeting the people and finding out what their problems are.

We have several industries that mean a great deal to my riding; agriculture and lumbering are the most important. Mining is also an important industry, and of course we have our industrial plants in the town of Pembroke.

In the early days lumbering was our chief industry. Year after year big rafts of white pine were floated down the Ottawa River to be marketed in the markets of the world.

Lumbering is a very important industry today and we have a great many lumber interests in the county I represent. We have the E. B. Eddy Match Company with headquarters located in the town of Pembroke, which is one of the largest, if not the largest, of its kind in the world. We have the Canadian Splint Corporation, the Pembroke Shook Mills, a subsidiary of Canadian Canneries, and in Pembroke they manufacture nearly all the containers for that great company. We have the Canadian Veneer Company where they are turning out large quantities of hardwood veneer, as well as the Colonial Lumber Company and a great many smaller industries supplying hydro and telephone poles, and quite a large quantity of pulpwood.

With the indulgence of the hon. members I intend to start at one end of my riding and point out a few of the important points we have to offer, and to show to any visitors who see fit to visit there.

As the visitor drives southeasterly from Mattawa, he travels through a large section of the county that was once heavily wooded, but today has been depleted to a very great extent. This area presents great opportunities for reforestation. Some reforestation has already been done by The Department of Lands and Forests, but there is room for a great deal more.

I would like to urge that consideration be given to this section of the prov-

ince and would like to urge the hon. Minister of Lands and Forests (Mr. Mapledoram) to set up a nursery in that general area. It is from this part of the province that we derive nearly all of our seed that goes to the seed extraction plant at Angus.

A little further easterly we come to the big hydro development at Des Joachims, where 480,000 horse power of electric energy is developed. Along with 160,000 horse power from Cheniaux in my riding, it is quite a contribution to the hydro pool of this province. Both of these developments have taken place since 1943.

Adjacent to the hydro development at Des Joachims we have the new nuclear research development, and were very pleased indeed to have the hon. Prime Minister (Mr. Frost) visit there and assist in the turning of the sod last fall.

This project is under way and I might say that it is not because of the magnitude of the plant that it is important; it is a pilot plant where 20,000 horse power will be developed when completed, but, more important, it will be the first research plant in Canada where an attempt is being made to put atomic energy to peacetime needs. It is being carried out by the Ontario Hydro, General Electric and the Atomic Research of Canada, a 3-way project.

Five miles further down the river we come to our new town of Deep River, a corporation town comparable with Marathon or Kapuskasing. In 1943 this was a thickly wooded pine area, and before any buildings were erected a great deal of thought was given to town planning. This is one of the finest little towns of its kind to be found anywhere in Ontario, with a population at the present time of 5,000 or 6,000 people, and is continually growing.

Just east of this a short way we have the Dominion forestry station. This is not a reforestation project, it is more in the nature of a research laboratory where a great deal of study has been given to finding ways and means of combating insect pests in our forests,

and improving reforestation practices all over the province.

A short way down from there we come to the great military camp at Petawawa, about which I am sure all hon. members have heard. However, they would have to visit the camp to see what it means not only to our riding but to all of Ontario and Canada generally. We have in the Petawawa camp a little townsite that has grown up, and to give some indication of the magnitude of the camp and the population there, I may say we have a 12-room school to accommodate the pupils coming from the camp itself.

I have a statement here from the Deputy Minister of Education, and he informs me that there are 46 teachers within the confines of the military camp at Petawawa. I quote these figures simply to give some idea of the importance and magnitude of this camp.

Just below Petawawa we come to the Ontario fish hatchery, one of the best of its kind in Ontario. Here we propagate about 6 million speckled trout every year as well as other fish to help stock the lakes and streams of eastern Ontario.

As we leave the Petawawa area we come to the thriving town of Pembroke, the hub of eastern Ontario. Perhaps some hon. members may disagree with that statement, but I have a clipping here from *The Ottawa Journal* written by Harry Walker, and he says that the town of Pembroke was the first place in Canada to have street lighting, back as early as 1884. I take it the statement is correct because anything Harry Walker says is usually correct. Mr. Walker says:

The lighting up of Pembroke made history in 1884.

He also says:

Pembroke was the first Canadian community to have electrical street and store lighting.

It is certainly the most rapidly growing town or city in eastern Ontario, and we have our problems there, and one of them I might say in passing is that we

are in dire need of a bypass to take care of the congested traffic. Much of this traffic is due to the growth and development at Petawawa and Deep River, and it is becoming a very great problem, but I am sure it is receiving the attention of the hon. Minister of Highways (Mr. Allan). We hope the bypass will not be delayed too long.

Another problem we have which is more or less acute is the housing situation, and I mention this simply because our provincial police detachment in Pembroke find it very difficult to secure homes for their families. One of these men had the misfortune, only last week, to be burned out, and the people got in touch with me to see what could be done to build new houses.

Two years ago, provision was made for 4 houses to be built there but to date no actual construction has been done, and I would urge the hon. Attorney-General (Mr. Roberts) or the hon. Minister of Public Works (Mr. Griesinger) that something be done at an early date. The housing situation there is acute, because there are so many people living in Pembroke who find employment at Petawawa or Deep River, and should be classed as residents of those communities.

For a great many years we in that area agitated for a new interprovincial bridge. We had no bridge between Pembroke and Portage du Fort, a distance of 70 miles, and I am happy to be able to state that in November, 1956, we turned the first traffic over this causeway between the two provinces. This 4-span structure was built jointly by the federal, Quebec and Ontario governments.

No one had more to do with the furthering of this project than the hon. Prime Minister of Ontario; he was good enough in 1949 to go to Pembroke with two of his hon. cabinet Ministers to look over the situation, and he did all he could to expedite the building of the bridge. We certainly hope that the hon. Prime Minister will be able to be with us when it is opened in the spring of this year. I have been authorized on

behalf of the people of Renfrew county to extend an invitation to the hon. Prime Minister and any of his hon. cabinet Ministers to take part in the opening of our bridge.

As we leave Pembroke and travel down towards Arnprior, we get into the good agricultural section of the county. There hon. members will find as good farm land as anywhere in Ontario, but our farmers are finding things a little difficult. I must agree with what the hon. Leader of the Opposition (Mr. Oliver) said the other day when he stated that our agricultural industry is in anything but a thriving condition at the present time.

I was speaking to the reeve of one of our townships just recently, who is himself a farmer, and he made this amazing statement, at least is sounded that way to me, that about 35 per cent. of their 1956 tax roll was in arrears. Our farmers are pretty hard-headed businessmen, they realize these taxes have to be paid some time, and to me it is indicative of the problems that the people in the rural areas of the province are facing.

I was pleased to note in the budget address yesterday that there is a provision being made for further assistance to our municipal governments because they are having a difficult time to finance and carry on at the present time.

A great deal of this trouble may be due to the suburban wolf adjacent to our large towns and cities in the province.

I have in mind one school section, or at least one of the townships which was a school section; in my own township, we had a one-roomed school with an attendance of 10 or 12 pupils in 1940 or 1943. Four years ago, it was necessary to build a two-room school there; a fine modern school, but today we find it overtaxed, and they are preparing to add a two-room addition, and all of this extra attendance is due to the fact we have a large suburban area at Pembroke.

People who have seen fit to go outside the town limits, and build residences in what was the rural area a few years ago, have created quite a problem.

I have here a recommendation which was made by the Ontario Federation of Agriculture and I would just like to read it at this time:

The Ontario Federation of Agriculture wishes to bring particular attention to bear on the problem of providing new school buildings for Ontario's growing population. It is becoming increasingly apparent that the burden of new school construction costs is becoming greater than many municipalities can support. We feel that it is more than ever imperative that the capital costs of new school buildings be assumed by the federal or provincial governments, or shared by both.

I think that is a recommendation, a resolution, which should be given considerable attention by this government and the government at Ottawa, because some of these municipalities, these townships, will simply not be able to carry on in the near future from that angle alone. Our mill rate for educational purposes is about half, or, in some cases, a little more than half, of our total mill rate, and I would like to have our hon. Minister of Education (Mr. Dunlop) give it due consideration, which I am sure he will.

I mentioned earlier that mining was one of our important industries. At Haley's Station, we have located the Dominion Magnesium Mines, one of the largest of its kind in the world. Located beside it, is a sister industry, "Light Alloys" of Ontario. It is one of the largest mines of its kind anywhere in the world. It is a magnesium mine, not a metallic substance, and is used as an alloy with other metals.

They have a small townsite there, but they draw most of their employees from surrounding towns and villages and this industry is of considerable importance to us.

Then there is one other point and it happens to be in my riding; just on the border between Renfrew North and Renfrew South, there is an attraction we have for tourists coming into the province. We have the Bonnechere Caves. I do not know whether or not hon. members have ever heard of them, they go for miles into the limestone and have been there for years. We have had a couple of young Englishmen come and develop it to some extent. It is a drawing card, and thousands of tourists come to see them every year, and should hon. members have occasion to be in that part of the province, it would be worth their while to pay a visit to these caves.

We in Renfrew county believe, in common with most of the people of Ontario, that this government has been doing a fairly good job for the county of Renfrew and all the people of Ontario. We are happy with the way they have handled things, but lest they think we have no problems, may I bring to their attention a few matters I would like to have considered seriously.

One is the problem of hydro extension for some of the isolated parts of our county. For a number of years, we were required to have two consumers to the mile in rural Ontario, and we had a great many extensions built on that basis. Then the Hydro Commission saw fit, wisely, I suppose, to require 3 consumers to the mile, and we have isolated portions of the county that are doing without hydro at the present time.

I might say somewhere between 85 and 90 per cent. of our people have hydro service, but we have these smaller communities that feel they are being discriminated against because of our large contribution to the Ontario Hydro pool.

I would like to suggest and, I hope the government or Hydro Commission sees fit to comply with my request, that it go back to the basis of two to the mile for one year, to allow these people to have hydro services. We could then take care of nearly all these isolated areas.

Our county, like the back end of Hastings, Addington and Frontenac,

and some of the other counties, is more or less isolated. We have long stretches where there are no residences, no assessment, then have these smaller communities where the people think they should be given some special consideration, and I am inclined to agree with them.

I brought up this matter last year and, as a result, did get some consideration but we still have two or three spots in our county which we would like to have taken care of.

In regard to highways, these are always a problem, because of the distance we have to cover and are isolated, more or less, all along the Ottawa River.

I could not agree with what the hon. Leader of the Opposition said the other day in connection with the development of roads. I think there has been a boom for eastern Ontario, and I think the former hon. Minister of Highways (Mr. Doucett) deserves a lot of credit. He did a lot for our county and I do not know how we could have got along had he not introduced the development of roads in the province at that time.

There are a great many other things I might bring to the attention of the House, but I do not intend to do so at this time. We think we have a very fine county and feel our interests have been fairly well taken care of, but we hope our problems will be given due attention in the years that lie ahead.

I would like to extend an invitation to any of the hon. members of this Legislature who have never had occasion to visit the Ottawa valley, to travel the highway to North Bay, take the loop around the Ottawa valley, and see what we have to offer. We have a very fine area and would be very pleased to have hon. members of any of the parties pay us a visit at any time in Renfrew county. Thank you.

MR. W. B. LEWIS (York-Humber): Mr. Speaker, I would like to say it was in a state of happy anticipation I returned to this House, to a new session of this Legislature, a session over

which you preside. You have the unqualified respect of every hon. member of this assembly. We have implicit confidence that no partisan ruling will ever be given or ever be entertained or evidenced, and that you will fulfil the duties of your high office with justice to all, unbiased toward none. I give you my best wishes and my deepest respect.

Also, Mr. Speaker, I think I should say at this time the address I am about to deliver will probably be outstanding in, at least, one respect, and that is it will be the shortest on record. I do so deliberately. Never having been an advocate of repetition I find myself today in a position following many brilliant speakers who have discussed many interesting and important subjects. To them I offer my congratulations.

I would like to compliment the hon. Provincial Treasurer (Mr. Porter) for his excellent presentation yesterday of a budget that will compare favourably with any budget ever presented in this House. It applies to the needs and assistance of Mr. and Mrs. John Public, address, Province of Ontario.

With this in mind it makes it very difficult to suggest additional relief the day after the presentation of such a budget. But, I am sure, this government is not prepared to rest on its laurels and will listen with an open mind to any suggestion that might further the welfare and benefits of those grand old persons.

The subjects I am about to discuss, to the best of my knowledge have not as yet been considered. Therefore, I sincerely hope hon. members will find them interesting and worthy of consideration.

I proudly bring to the attention of this House the wonderful progress of this area in their drive to accommodate suitably our senior citizens, and in mentioning this particular item I am reminded of a phrase that was born of World War I, as applied to our fallen soldiers: "Lest we forget." I am using that phrase today relative to our senior citizens. Too often in this busy day by day world, with its multiplicity of problems, some

of us forget to put the welfare of our elders on the "A" priority list where, all will agree, they should be.

It is my hope that regardless of the past the government at Ottawa will review and scrutinize very carefully the financial needs of this group of citizens who, rightfully, hold honour certificates in our way of life, and not only try to pacify public opinion by contributing a token increase in old age pensions, but designate a realistic amount that will be sufficient to keep them out of the plight, in which they now find themselves, due, partly, to the inflationary period we are experiencing, so that they may hold their heads high in the twilight of their lives and not be in a position of alms seekers. With that huge surplus stored away at "Fort" Ottawa this, surely, would cause no great problem.

At this time I would also like to express my opinion in another field of this very important subject. That is the old folks who are slightly more fortunate, and who are able to hold onto, and live in, their own homes, thus eliminating the problem of finding accommodation for them. Many more would have been in their own homes had it not been for the burden of trying to pay today's taxes out of yesterday's inadequate pensions.

Realizing that there is already one minor exemption relative to these people, I say it is not nearly sufficient to balance their old style income. I suggest all levels of government, from municipal to Dominion, should consider more liberal exemptions in all tax fields for people over the age limit who are trying to keep the home fires burning under the heavy load of increased costs and without earning power to balance their budget.

May I say that a government of a province that is reputed to be the most progressive and successful since Confederation, should lead the way, and immediately call a conference of the municipalities of the province and the Dominion government to discuss ways and means of providing jointly a decent living for our senior citizens. That will

not only set a premium standard for the Dominion, but for the whole North American continent.

Let us show all and sundry we have the courage to produce what could be a new deal for our elders, and say to them that we consider it an accomplishment and an honour to grow old in the province of Ontario.

It may be that, after a thorough analysis, it could be proved that this type of assistance would supply two premiums: that is, the sunshine in the windows of the lives of many of our parents, and lesser expenditures for all levels of government who would otherwise have to provide accommodation for people in this particular field.

Returning to the discussion on housing accommodation for Mr. and Mrs. Senior Citizen in metropolitan Toronto, the corporation has now in operation a new Greenacres Aged Persons' home at Newmarket, which accommodates 550 special cases, and, Hilltop Acres on Davenport Road, which accommodates 200 persons, and negotiations are pending for the acquisition of another suitable aged persons' home to accommodate 200.

Sites have been acquired in Scarborough, North York and Etobicoke for additional homes. Within 10 years from the date of its incorporation, metropolitan Toronto will have solved the problem of providing these aged persons with adequate accommodation. In this respect it is to be noted that half the capital and current costs are paid by the province of Ontario.

I wish to bring to the attention of the government a suggestion with which some will not immediately agree. Others, I believe, will be sufficiently discerning and kind, and probably say, "He is before his time." However, whether I win disapproval or approbation, I am compelled to bring this matter to the attention of hon. members and to ask that they give it their thoughtful consideration. It is my belief that, after they have heard what I have to say, they will begin to think about the

possible savings it would bring to the provincial government.

It is probably true that metropolitan Toronto produces more provincial revenue than any other comparable area in the province, and in order to produce this revenue metropolitan Toronto is compelled to spend more money than any other provincial area to provide services for its thickly populated centres. Every dollar saved in relation to its services is a dollar which can be well spent in some other part of the province. That point, I contend, is not arguable.

What I am leading up to, Mr. Speaker, is simply this: the provincial government, in my opinion, should assist in the building of Toronto's subways now, and in other large centres in Ontario when and if the need becomes apparent. I say this because I believe that every dollar invested in a project of this nature will save \$5.00 in the future building of highways in metropolitan areas. Highways in areas such as this become a millstone of gasoline-driven confusion shortly after they are opened. Then it is necessary, as past experiences have proved, for the planners to go quickly to work and plan a second highway to ease the situation which has developed from the first.

A very good example of this is the Toronto bypass, a section of highway No. 401, where the growth and rapid expansion of this great metropolis has swiftly reduced this beautiful piece of modern highway to the category of a city street, and stated by many as carrying the heaviest traffic of any road in Canada. Already I believe steps are being taken to widen some sections of this bypass.

I predict that the same fate will overtake the new multi-million-dollar expressway now under construction on Toronto's lakeshore unless mass transportation is provided which can carry the hundreds of thousands of business people to and from their places of employment.

In my humble opinion, the only sane and economically sound method is by subway transportation. This form of transportation would take the great mass of local vehicles off the road and leave the modern highways and expressways for the uses originally intended. This in turn would relieve the municipalities and the government of the never-ending headache of providing more and more highways on which to funnel more and more cars into the heart of metropolitan Toronto.

I maintain that there is both saving and sanity implicit in this suggestion. Those who have to find the solution for more and more cars to come into this now huge and sprawling city with safety and speed at rush hours will save their sanity, for, let us make no mistake about it, Toronto is not done with its growing, and that growth means a much greater population, and that in turn means a greatly increased number of cars will be driven.

Compared to the building of highways, I suggest that the initial problem in the building of the subway is the cost. There would not be the huge annual expenditures for highway maintenance, the vagaries of weather would not be a built-in cost in the maintenance of highways, there would be no police patrolling, no supervision and no road signs; therefore so much more on the credit side of this provincial ledger.

Mr. Speaker, I wish to thank you and the hon. members of this House for the courtesy and attention with which you have listened to me, and to express the hope that these suggestions I have made shall be deemed worthy of serious consideration. I thank you very much.

MR. J. P. SPENCE (Kent East):
Mr. Speaker, I first wish to congratulate you on the dignified way in which you carry out your duties as Speaker of this honourable assembly. I also wish to say to the hon. Leader of the Opposition (Mr. Oliver) that his fine leadership and assistance have been of great benefit to me.

The consideration given to problems by the different hon. Ministers of the government was certainly deeply appreciated. As spokesman for the riding of Kent East in this assembly, I have decided to speak when it is necessary, and when I do speak to give constructive criticism. Mr. Speaker, that is what I am going to try and do this afternoon.

The riding that I have the honour to represent is made up of rich diversified farm lands, fast growing towns and villages. Fishing is carried on along Lake Erie. We have some manufacturing carried on in our towns and villages and, recently, an old field has been brought into production but agriculture is one of the main industries.

the index for Canadian farm products for the same period shows a decrease of 21.9 per cent.

We come to the province of Ontario. Farm prices of agricultural products in Ontario show a drop of 20.3 per cent. for the years 1951 to 1956. The net income from the sale of farm products in the province of Ontario decreased 23.3 per cent. for the years 1951 to 1955, as 1956 figures were not available.

The net income of farm products in Ontario in the year 1951 was \$558,114,-000 and in 1955 dropped to \$428,438,-000, a drop in 4 years of \$129,736,000.

Now the eastern Canada price index numbers of commodities and services used by the farmers is as follows :

	Aug. 1951 to Aug. 1956			%
Tax and interest	141.4	168.4	increased	19.1
Farm wages	441.5	495.6	increased	12.3
Farm machinery	186.5	209.7	increased	12.4
Building material	274.5	296.0	increased	7.8
Gasoline, oil and grease	170.4	174.3	increased	2.3

In the speech from the Throne the agricultural industry of this province was referred to as a key to the province's economic development. I heartily agree. The farmers of this province are going through very difficult times. The income of the farms is decreasing while the cost of all farm equipment is increasing to alarming proportions.

I have a few figures from the Dominion Bureau of Statistics, Ottawa, which I believe show the picture of the agricultural industry in the province of Ontario for the years 1951 to 1956.

We find that the wholesale price index in Canada of fully and chiefly manufactured goods shows a decrease of 3.4 per cent. for the years 1951 to 1956. Also

The average industrial week earnings in the province of Ontario, to which I am not objecting nor with which have I any quarrel whatsoever, are :

August 1951	\$52.34
August 1956	\$67.15

The increase in wages was 28.3 per cent. while in the same period the income of farmers decreased 23.3 per cent.

I also believe that there is too much spread between what the farmer receives for his products and what the consumers pay. Over the weekend of February 15th, I found, as illustration, the price spread on a number of products.

Items	Farmers Received	Consumers Paid
Eggs (grade A large)	31c. dozen	48-50c. dozen
Jersey milk	12.2c quart, delivered in Toronto	27c. quart
Potatoes	10 pound bag 20c.	45-50c.
Dry white beans	6.5c. lb.	2 lbs. 35c.
Apples (spies)	6 qt. basket 60c.	83-85c.
Turnips (Ont. waxed)	\$1.25 bushel, 50 pounds	6c. per lb.
Cheese (mild cheddar)	34c. per lb.	45-49c.

I have presented these figures to the Legislature to draw to the attention of the government the increased cost of production and the price spread between what the farmer receives and what the consumer pays. I do appreciate, from the speech from the Throne, that this government is taking action to develop a sound marketing plan during this session. It could set up a committee to study the price spread of farm products and to work out a solution for the agricultural industry in this province. I understand that this is on the order paper and I will strongly support it.

I would like to deal with education in the rural areas of the province. I have nothing but the highest respect for the hon. Minister of Education (Mr. Dunlop).

We find from 1945-1956 that the elementary school population grew from 545,000 to 880,000, an increase of 335,000 students or a 61 per cent. gain. The rural gain was from 163,000 to 197,000 or a gain of 21 per cent. Urban gain was 301,000.

This great trend to the cities has created problems of construction, finance and teacher supply in the cities. At present there seems to be no tendency to check this trend to our cities.

The Gordon commission has many interesting forecasts about our rural population. At present about 62 per cent. of the population is classed as totally urban, and by the year 1980 it will increase to 79 per cent. The rural non-farm population is expected to decline from 18 to 12 per cent. and it is expected that rural population will decline from 20 to 9 per cent. and the total rural population in the next 25 years is expected to decline from 38 to 21 per cent. of the total Canadian population.

This great trek to our cities has influenced the distribution of teachers in Ontario even more than population statistics would suggest. The city schools are paying higher salaries and offering teachers more companionship with other teachers and the opportunity of receiving more help from principals and in-

spectors. These factors have sadly depleted the number of teachers available to teach in rural areas.

The farmers' income is falling and the cost of operating the farm is going up. This means the farmer is unable to pay higher school costs which tends to keep the school cost down and lose teachers to the cities where higher salaries are paid. With smaller incomes and fewer people in the rural areas, it makes it very difficult to see how rural education can be improved without direct programmes of improvement being undertaken.

We find, in The Department of Education's salary figures, it is shown that the average salaries of male elementary school teachers has risen from \$2,000 in the years 1945-1946 to \$3,761 in the years 1954-1955, and also find the maximum salaries have risen from \$3,900 in 1945-1946 to \$7,200 in the years 1954-1955.

I would like to ask how many rural schools are able to offer \$7,200 or, for that matter, \$3,600? We find that average teachers' salaries increased from \$2,365 to \$4,128 while the average rural school teachers trailed from \$1,419 to \$2,640.

We also find that the city school teachers were more highly paid than the town school teachers. We find this difference in average teachers' salaries between urban and rural schools in years of 1954-1955:

Urban	\$4,128.00
Rural	\$2,640.00
	<u>\$1,488.00</u>

This difference is almost as much as an hon. member's tax free allowance is. How many hon. members would take a job in a rural school teaching 40 pupils in 8 different grades, when he could get a job teaching 30-35 in one grade in a city school at almost \$1,500 a year more than a rural school offers? The answer is obvious. The government is unfair to the rural school teacher while penalizing the farm boy and girl.

Rural education is bound to suffer until this government faces this situation. We also find women teachers' salaries are lower than those for men, despite the province's boast of equal pay for equal work.

Boards of Education pay starting salaries as low as \$2,800 a year to rural school teachers. High school teachers in city schools start at \$3,200 to \$3,600 a year. Yet, according to advertisements in the *Globe and Mail*, the Toronto board of education will start an engineering student at \$5,000 to \$6,500 a year. A high school teacher has as much education as an engineer, but today's over-emphasis on science seems to have affected even the boards of education and The Department of Education.

We find high school teachers with a degree and so on, start at about \$3,400 per year while engineers start at \$5,000 to \$6,500.

I have a clipping here from the Toronto *Telegram* of February 7, 1957, written by Arthur Spence, who, by the way, is no relation to me, and this is what he has to say about rural schools:

In a small white schoolhouse 20 miles from Toronto, the brains and future of 35 children are being slowly and perhaps permanently crippled.

These youngsters and hundreds of others like them across Ontario are victims of a teacher training programme that is setting education back 30 years.

Harsh words perhaps. But if an army sent green, untrained men into combat, the results might justly be called murder.

When green, untrained teachers are sent into the toughest job in education, the results are equally censurable.

Five miles north, in school section 19, a first-year summer school graduate, Alice Bennett, is struggling hard to produce some kind of order out of chaos.

Several months ago, when the inspector called, he pounded the door for 10 minutes to make himself heard above the din. Only since the

school board was persuaded to hire a supply teacher to help for a week has Miss Bennett managed to begin teaching.

But all the will and guts in the world can't substitute for the know-how that comes with training and experience.

Somehow, without ever having been in a classroom before, with but 6 weeks of training by urban oriented lecturers, this teacher was expected to walk into a room of 8 grades and produce education.

This means knowing 8 sets of curriculums well enough to move smoothly from one to the other and preparing each day so that 7 groups are constructively occupied while she teaches the eighth.

She is expected to do this in a dingy, dilapidated schoolhouse with a minimum of teaching aids and, except for the infrequent visit of the inspector, all by herself.

Compare her position with that of a new Toronto teacher. She comes with a full year's training after grade 13 and a two-week indoctrination course the spring before.

The Toronto newcomer works with one grade, with limitless facilities such as mimeographed maps, lessons, etc., films and filmstrips, and new attractive books.

She has the benefits of advice from a principal, an inspector, her fellow teachers and a staff of consultant teachers.

Finally it should be added that her pupils probably will go on next year to a teacher of wider experience.

Miss Bennett's pupils have had a succession of 4 first-year summer course graduates.

Robert Morrison, of Dixon's Hill school, is fighting the same frustrating hopeless fight.

Morrison said he found the 6-week programme training a hopeless preparation for an ungraded school. His biggest problem, that of preparing lessons and properly allotting his

time for 8 grades, was scarcely touched upon.

My tour convinced me Ontario has little basis for boasting about its rural school system.

Ungraded schools can do the job only under the best of conditions but with the present system of local 3-man school boards and the second-rate training programme, they are failing.

Their indifference to quality insures the flooding of rural schools with 6-week teachers who move on to urban areas as quickly as they learn how to do a good job.

In a country bewailing its lack of talent, the plight of the rural school child is not only shameful, it is wasteful.

Educational problems need attention—not implying that all the city problems are solved, but the cities in solving their problems are making things tougher for the rural schools.

The Department of Education should recognize responsibilities for the problems of rural education. We can no longer dodge the issue. The farmers of Ontario have always plowed a course of hard work under heavy odds. All we can ask is that this government give rural education what it deserves. This is not being done today and action, not words, is needed!

Mr. Speaker, a word on the retarded hospital. A year ago the hon. Minister of Public Works (Mr. Griesinger) revealed in his estimate the intention of the government of setting aside a sum of money for the building of a hospital school in southwestern Ontario.

I wish to commend the government for interest in this worthy cause. In the past, parents of retarded children have found it very difficult to have their children placed in the hospital school at Orillia on account of the long waiting list.

I believe the county of Kent, particularly the riding of Kent East, would be an ideal location for such a hospital for several reasons, including location on

Lake Erie close to two railways, the Canadian Pacific and the Canadian National. The many highways which have bus routes also add to the convenience of both the patients and families. The city of Chatham with its two fine general hospitals would also add much support to a hospital school.

This district is also one of the best agricultural areas in Canada, producing a wide variety of fruits and vegetables in abundance. This factor alone would mean much to the maintenance and cost of operation. The moderate climate is also of great benefit to it as well. The many towns and villages of the district, and the city of Chatham, offer the best in hotel and motel accommodation. The citizens of the district are behind this project, and this in itself would be of great help to the hospital school and the staff who operate it.

I can also speak of the support which this project has by the number of letters I have received requesting me to give my support to having it located in this vicinity, in order that the parents may have their children in an area where they can afford to visit them as often as possible.

This hospital school, if placed here, will serve a heavily populated area, this area being the hub of 5 counties which have a combined population of nearly a million people. The soil conditions in this area are the best so far as drainage is concerned. The many beaches and parks in the vicinity would also add much to the rehabilitation of the children.

I feel from every aspect and consideration, as to location, transportation, fertility of soil, moderate climate, area served, water supply, recreational facilities, that Kent East is the ideal place for an Ontario hospital school for retarded children. I ask this government to give it every consideration.

Mr. Speaker, in conclusion, although my riding is a rural area there are many towns and villages which have no great unemployment. However, much of the employment offered to the people of these towns and villages is seasonal,

and there are times throughout the year when many people are idle.

Some of these towns and villages are not in the position to employ an industrial manager who could devote his full-time efforts to encouraging industry to locate in these areas.

At this time I want to request the hon. Minister of Planning and Development (Mr. Nickle) that his trade and industry branch keep the riding of Kent East in mind, when new industries are looking for areas in which to locate.

We have many geographic advantages to offer new industries wishing to establish. There are ample railroad and trucking facilities, we are close to ready markets, and when the St. Lawrence seaway is completed, heavy shipping docks will in all probability be constructed on the shore of Lake Erie.

We have large quantities of agricultural and dairy products from the hundreds of cash-crop farms in the area. These products could be processed and distributed from any of the numerous towns and villages of Kent East to the many markets within a 100-mile radius.

At some later date I would like to have representatives of the chambers of commerce, and other service clubs of the towns and villages of Kent East, meet with the hon. Minister of Planning and Development and discuss this matter more fully.

In conclusion, Mr. Speaker, I would like to support the hon. Leader of the Opposition and the hon. member for Bruce (Mr. Whicher) in their plea to the government of Ontario for supplementary allowances for our aged pensioners of Ontario. I have talked to a large number of pensioners who have told me time after time that it

was virtually impossible to survive on \$40 per month with increased cost of living.

I heard many times in this assembly that this province was the wealthiest in the Dominion of Canada. However, yesterday afternoon the hon. Provincial Treasurer (Mr. Porter) brought in a budget which showed that in 1957 Ontario will have nearly \$100 million more to spend and not one dime for our aged citizens. I would say that this government is unfair to those in Ontario who have helped to make the province great.

HON. A. K. ROBERTS (Attorney-General): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. DANA PORTER (Provincial Treasurer): Before the adjournment of the House, I would like to remind the hon. members that on Monday we continue the Throne debate, and, I understand it was Tuesday for the budget debate. I think that is correct.

On Monday, we shall continue with the Throne debate.

MR. T. D. THOMAS: Mr. Speaker, is it on Monday, as the hon. Prime Minister (Mr. Frost) said yesterday, that we are to go on with the discussion of the toll roads report?

HON. MR. PORTER: I overlooked what the hon. Prime Minister said yesterday. I think that will be introduced also. There has been no change.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 3.50 of the clock p.m.

ERRATUM

(February 20, 1957)

<i>Page</i>	<i>Column</i>	<i>Line</i>
502	1	53 to
	2	5

Starting with "we" at bottom of col. 1 to top of col. 2 should read:

"we have a young lady whose husband died, and she had a Mongolian baby, and there is no place to put her youngster until he is 4 years of age".



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, February 25, 1957

THE QUEEN'S PRINTER
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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

MONDAY, FEBRUARY 25, 1957

3 O'CLOCK P.M.

Act, 1953, for the fiscal year ended March 31, 1956.

And the House having met.

Prayers.

Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. M. B. DYMOND: Mr. Speaker, I beg leave to present the first report of the standing committee on health and move its adoption.

CLERK OF THE HOUSE: Mr. Dymond presented the first report of the standing committee on health, as follows:

Your committee begs to report the following bill without amendment:

Bill No. 62, An Act to amend The Public Health Act.

Motion agreed to.

MR. SPEAKER: Motions.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. Report of the Provincial Secretary of Ontario with respect to the administration of The Incorporation Act, 1953, and The Mortmain and Charitable Uses Act for the fiscal year ended March 31, 1956.

2. Report of the Provincial Secretary of Ontario with respect to the administration of Part IX of The Corporation

MR. SPEAKER: Introduction of bills.

THE OLD AGE ASSISTANCE ACT

Hon. L. P. Cecile moves first reading of bill intituled "An Act to amend The Old Age Assistance Act, 1951."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill is designed to accomplish the following purposes: it removes the maximum of \$40 monthly assistance payment to individuals and gives to this government the power to enter into an agreement with the government of Canada to share in increases in old age assistance for persons aged 65 to 69 which that government may authorize under this legislation.

THE DISABLED PERSONS' ALLOWANCES ACT

Hon. Mr. Cecile moves first reading of bill intituled "An Act to amend The Disabled Persons' Allowances Act, 1955."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the purposes of this bill are the same as those in the amendments to The Old Age Assistance Act, 1951.

THE BLIND PERSONS' ALLOWANCES ACT

Hon. Mr. Cecile moves first reading of bill intituled "An Act to amend The Blind Persons' Allowances Act, 1951."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the purposes of this bill are also the same as those in the amendments to The Old Age Assistance Act, 1951.

THE HIGHWAY TRAFFIC ACT

Hon. J. N. Allan moves first reading of bill intituled "An Act to amend The Highway Traffic Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill contains 23 amendments to The Highway Traffic Act, and I might mention a few of the more important ones.

The first deals with the certificate regarding fitness of motor vehicles as sold through used car dealers. It provides for the form of certificate and for greater penalties.

There is also legislation which will permit passing on the right on multi-lane marked highways and city streets.

The penalties for infraction of the rules of the road, by this proposed amendment, will be placed on the same basis as infractions of the speed limit and will provide for the same penalties.

Mandatory suspension upon conviction for an offence of criminal negligence is added to those suspensions which are mandatory.

Power is also sought for the withdrawal of approval of a municipal by-law. As hon. members know, all municipal by-laws having to do with traffic require approval by the department and, while we have the means of approving, we have never had the means of withdrawing that approval, and this amendment is brought forward for that purpose.

The minimum liability requirements under the financial responsibility provision is increased from \$5,000, \$10,000, and \$1,000, to \$10,000, \$20,000 and \$5,000; likewise, increase in payments from the unsatisfied judgment fund from the same limits to \$10,000, \$20,000, and \$2,000.

The present fund is financed by a payment of \$1.00 by each driver, and it is proposed that to procure the additional revenue necessary to meet these increased payments from the fund, a payment of \$5 will be required from the owner of an uninsured vehicle, which amount will be added to the unsatisfied judgment fund.

THE CONSERVATION AUTHORITIES ACT

Hon. W. M. Nickle moves first reading of bill intituled "An Act to amend The Conservation Authorities Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the explanatory note in respect of this bill is as follows:

At present an authority may borrow at interest not exceeding 5 per cent. per annum. The amendment will permit borrowing at such rates of interest as the hon. Minister may approve.

THE PLANNING ACT, 1955

Hon. Mr. Nickle moves first reading of bill intituled "An Act to amend The Planning Act, 1955."

Motion agreed to; first reading of the bill.

He said: In relation to this amendment, I should say the amendment provides that, when a planning area or any part thereof is included in a joint planning area, the planning area or part thereof so included becomes a subsidiary planning area.

Secondly, at present the hon. Minister may authorize the county council to act on behalf of the municipalities in a planning area, in respect of the financing of the planning board, where the planning area includes a majority of the municipalities forming part of the county for municipal purposes and one or more municipalities that do not form part of the county for municipal purposes.

The amendment extends the application of this section to planning areas that include all or a majority of the municipalities forming part of the county for municipal purposes.

MR. SPEAKER: Before the orders of the day I would like to welcome, to the assembly, pupils from Dovercourt Public School; Ryerson Public School; Humewood Public School; and St. Joseph's College School, all from the city of Toronto. These pupils are here to view the proceedings of the House and we welcome them with open arms.

MR. D. C. MacDONALD (York South): Mr. Speaker, before the orders of the day, I desire to correct what I think is a very serious misrepresentation that emerged out of the series of news accounts based on discussions which took place in the House last Friday.

In the discussion, and the comments of the hon. Attorney-General (Mr. Roberts) and the hon. member for Kenora (Mr. Wren), the whole question of communists involved in this strike in northwestern Ontario was highlighted, and in some of the news accounts I am linked up with communist trouble makers.

That, I am not interested in; it can be dealt with at another time. However what I am seriously disturbed with is the impression that was left that this new and struggling organization in northwestern Ontario is infiltrated or seriously affected by communists within its midst.

Mr. Speaker, I want, just briefly, to put a few facts on the record. I might say that over the week end I have been

in communication with both Mr. Jack Doner, Kenora counsel for the northwest association, and with Andre Welsby, president of the Lumber and Sawmill Workers Local in Port Arthur.

The information which I have received from these people who have been on the spot is this: first, the Northwest Farm and Forest Products Association was formed last June. At no time during its organizational months, or during the strike, have any known communists been involved in any way with its entirely legitimate activities.

Secondly, the communication from Bruce Magnusson which the hon. Attorney-General chose to highlight as coming from an official of the Labour Progressive party, was entirely unsolicited by the workers involved. At no time was Magnusson ever associated with the northwest association; indeed, as far as any of those involved in the strike know, Magnusson was not ever in the area during the course of the strike.

Thirdly, the lumber and sawmill workers gave its support to the strike of the Northwest Farm and Forest Products Association. This union—the lumber and sawmill workers—is an important and responsible organization all throughout the north. It is affiliated with the Canadian Labour Congress, whose anti-communist record is well known, and beyond dispute.

In fact, Andre Welsby, president of the big Port Arthur district local of the Lumber and Sawmill Workers, was in the Kenora-Rainy River district assisting the striking truckers and pulpwood producers during the final week or so. Welsby and his executive are the very trade unionists who some years ago cleaned out Magnusson and his communist buddies from that union.

All of those facts were available to the hon. Attorney-General if he had chosen to seek them. Instead, he chose to pick out and highlight the communication from Bruce Magnusson — a communication which has absolutely no relevance.

This is just the old communist smear tactics. To distract public attention

from the use of provincial police in this strike situation, the hon. Attorney-General has stooped to "McCarthy" tactics which are unworthy of an hon. Minister of the Crown.

HON. A. K. ROBERTS: Mr. Speaker, hon. members who were in the House on Friday will well recall what smearing was done in the introduction to the questions put to me by the hon. member. In reply, I made my statement, and towards the end of my reply I said I had received a wire which was perfectly factual from the person he now refers to, whose name he now claims is being used to smear him. *Hansard* will no doubt give a complete report of what I said at that time; it stands, and I have nothing further to add.

MR. A. WREN (Kenora): Mr. Speaker, the hon. member is continuing to talk about my district, and I do not like it. It may seem rather unusual for me to be agreeing with what one of the hon. Ministers of the Crown is saying, but I want to say this —

MR. T. D. THOMAS: Mr. Speaker, I feel the hon. member is out of order.

MR. WREN: Mr. Speaker, I rise on a point of privilege. I do not want to have the hon. member talking about the part of the country from which I come when he does not know what he is talking about.

MR. SPEAKER: There is no debate, and I would ask the hon. member for Kenora to take his seat.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, my hon. friend has the right to rise on a question of privilege, on a matter that is being discussed, when it particularly affects his riding and, not only that, but a matter that is a reflection on something he said in the House quite recently and has been brought up by the hon. member for York South. It is only a question of privilege, and I sug-

gest the hon. member has a right to speak about the matter.

MR. SPEAKER: I would say with the consent of the House, that the hon. member for Kenora, having spoken on Friday, should have the opportunity today to clarify his statement.

MR. WREN: Thank you, Mr. Speaker. The exception I took on Friday in this House was one in connection with the statement from the hon. member for York South when he started out to say that the provincial police had gone into this area as strike breakers. That was not true; it still is not true.

The provincial police in northwestern Ontario are not strike breakers. They are an excellent group of men commanded by an excellent police officer in this province. I would suggest any hon. member, especially new members, learn a little bit about the rest of the province before they set themselves up as experts on it.

Bearing out what I said on Friday, that an official of the Lumber and Sawmill Workers Union and officials of the papermill company called me long distance and assured me they were quite happy with the stand I had taken, and agreed with me that they do not need the hon. CCF leader's advice or intervention in this matter at all.

MR. G. C. WARDROPE (Port Arthur): Mr. Speaker, might I ask the hon. member for York South a question: I believe—and I can be corrected on this—that the gentlemen he mentioned, Mr. Welsby and Mr. Grout, both in the first instance declared this strike illegal — both those organizations. If I am wrong, I will take it back, but I wish the hon. member for York South would find that out.

I think I am correct—and that I read it in the press—that both the gentlemen he speaks about, Mr. Welsby of the Lumber and Sawmill Workers Union, and Mr. Grout, the head of the Truckers Association in that area, declared the strike illegal.

MR. MacDONALD: Mr. Speaker, I can explain this very readily, and one of the interesting things which has emerged in this House, giving value to discussion of this matter is that everybody up until now believed that a group of workers who are in the category of independent contractors could be brought under The Labour Relations Act. This is the experience down through the years.

Yet when I first raised this question a week ago a completely new development emerged. The hon. Minister of Labour (Mr. Daley) said if these people were duly organized, elected their officers and applied for certification, he saw no reason why they could not be certified. This is complete news to the group involved up there, and if they had known this to be the case I think the whole history of it would have been different. That is the reason I asked the hon. Minister of Labour whether he would not bring in an amendment to clarify this alleged illegality, so people would know whether or not it was illegal.

MR. WARDROPE: Mr. Speaker, my question is not answered; I want it answered.

MR. MacDONALD: Mr. Speaker, I have said that under the interpretation of the Act, as everybody had thought was the case up until last Monday, when the hon. Minister made the statement in the House, it would have to be described as an illegal strike, but the hon. Minister's statement in the House last Monday, in effect, said this could have been legal if they had applied for certification.

MR. WARDROPE: Mr. Speaker, the hon. member intimated that Mr. Welsby, the head of the Lumber and Sawmill Workers Union, and Mr. Grout, the head of the Truckers Union, were condoning this strike action, and I want him to answer if they did not say the strike was illegal.

MR. MacDONALD: Mr. Speaker, I do not know whether they said it or not,

but I do know that Mr. Welsby, as an individual who formerly lived in Kenora district, was personally working on behalf of those persons who were striking.

MR. SPEAKER: Orders of the day.

CLERK OF THE HOUSE: The consideration of the report of the Select Committee on Smoke Control and Air Pollution:

REPORT, SMOKE CONTROL AND AIR POLLUTION COMMITTEE

MR. A. H. COWLING (High Park): Mr. Speaker, in reference to this report of the select committee on air pollution and smoke control, all hon. members have received a copy of it. I trust they have gone over the copy, read it, learned it, and inwardly digested the information contained therein.

Incidentally, Mr. Speaker, if there are any questions which should arise in the minds of the hon. members during the discussion, as far as I am concerned, they are at perfect liberty to rise and ask a question and interrupt the proceedings.

The committee was appointed September 8, 1955, during the first session of the twenty-fifth Legislature, on the motion of the hon. Prime Minister (Mr. Frost), seconded by the hon. Provincial Treasurer (Mr. Porter), with the following terms of reference as stated in our report:

That a select committee of the House be appointed to examine existing legislation and practice in relation to smoke control and air pollution in Ontario, with particular reference to the installation and maintenance of equipment to control smoke and air pollution and methods and ways of extending public information in connection therewith.

And that the select committee have authority to sit during the interval between sessions and have full power

and authority to call for persons, papers and things and to examine witnesses under oath, and the assembly doth command and compel attendance before the said select committee of such persons and the production of such papers and things as the committee may deem necessary for any of its proceedings and deliberations, for which purpose the honourable the Speaker may issue his warrant or warrants.

Our report also adds:

It is with deep and sincere regret that we have to record the sad loss, by untimely death on July 2, 1956, of a most highly esteemed, beloved, conscientious and valuable member of our committee, the hon. member for York West, Mr. W. Elmer Brandon, Q.C. We, the remaining members of the select committee, believe that Mr. Brandon would endorse this, our final report, and the conclusions and recommendations contained herein, on which we have unanimously agreed.

The members of our committee wish to record their thanks to the efficient committee secretary, Frederick A. Evis, B.A., M.D., D.P.H., barrister and solicitor, the medico-legal consultant to The Ontario Department of Health and the Ontario hospital services commission, for his helpful services and for the many hours of work which he has unselfishly devoted to the business of the committee.

Mr. Speaker, that gives you some idea of the background and what we have been doing for the past year and a half, and I would like to deal with some of the recommendations of the committee so hon. members will get an idea what we are talking about and what we are urging on the House at this particular time.

This committee has spared no effort to comply with the many requests it has received from individuals and organizations concerned with air pollution. Frequently we have held meetings and conducted hearings in

the evening hours to accommodate the convenience of those from whom we wished to obtain information and testimony. The data we have gathered is filed for the use of the Ontario air pollution control commission which we propose be established.

We made several recommendations, and I am going to go over the 5 principal recommendations and discuss them then.

Based upon our exhaustive studies, we have come to the following conclusions and wish to present 5 principal recommendations for your immediate consideration:

1. *That an Ontario air pollution control commission should be established, organized and brought into active operation immediately.*

The committee is thoroughly convinced that air pollution is a vital problem and an urgent one which should be attacked promptly, courageously and with the full support of all parties. This is not a job for amateurs and halfway measures will not be good enough.

The proposed commission should be financed adequately to enable it to employ properly qualified engineers, scientists, and medical and legal opinion. It should be able to purchase sufficient modern equipment so that it can provide useful and real assistance to municipalities and to industry in determining what contaminants are in the air in any given locality, from what source or sources they originate, and the best and proper methods for controlling them.

The commission should be permitted to carry on technical and statistical studies and research, and to make grants to other research centres for the purpose of advancing our knowledge in this complex field. The committee has already received acceptable applications for grants from two outstanding Ontario scientists who are ready, willing and able to undertake research which will benefit our citizens.

I do not intend, Mr. Speaker, to read the whole report for the benefit of the hon. members, because I know they have already read it. But I would like to highlight some of our recommendations.

We recommend prompt action in establishing the proposed commission because prevention is much cheaper and more satisfactory in every way than cure. Considering the rapid rate at which Ontario industry and Ontario cities and towns are growing, for prevention to be really useful, we must act quickly. Time is of the essence.

As we stated in our interim report, experience has shown that air pollution control expenses may be from 2 to 5 times as great for the company involved when the correction is applied to an established, operating concern by "fitting the equipment in with a shoe horn," than they are when properly planned equipment is designed for and built into the factory or other building when it is first constructed.

However, it is not only the expense to industry about which we are concerned. There is also the cost to the government and to the people to be considered. When expensive processes have to be redesigned or equipment which should never have been installed in the first place has to be torn out and replaced, there is likely to be strong protest from the industry or individual concerned, which could delay the cleaning up process by months or even years. Such a situation costs everyone money.

Every day that goes by, until the proposed air pollution control commission is established and in action, simply means one more day passes during which construction may be started on some new factory or office building without the benefit of air pollution control advice, or another incinerator may be installed in a new apartment building or duplex which should never be installed at all, and

which is quite inadequate from an air pollution control standpoint.

We see these new plants, new apartment buildings, new hotels, new office buildings and other new construction going up around us constantly. We wonder just how many of these buildings have been designed without any thought being given to air pollution control.

Metropolitan Toronto is said to be growing at a faster rate than any other metropolitan area in the world, not excepting Los Angeles. Other Ontario cities are also expanding rapidly. Our committee is certain that, if we wait much longer to begin our all-out attack on this problem, intelligently and on a province-wide scale, it will really become overwhelming, as it already has in other jurisdictions.

It will then require an exceedingly vast amount of work and money to be expended in the future to investigate and correct mistakes and examples of neglect, short-sightedness and false economy which are occurring now, day after day, but which could be prevented if a proper authority were made available to advise the planners of new projects.

Therefore, on behalf of our citizens and our industry, we recommend immediate action by the provincial government in this matter.

The time to begin air pollution control was yesterday or 10 years ago. Let us not neglect it another day.

2. That existing Ontario legislation dealing with air pollution control is antiquated and should be amended.

This committee stated in its interim report that there should be no exemptions made in any air pollution control legislation in this province. We are still of the same opinion. Further, we may add that we have discovered no jurisdiction which permits any exemptions to its air pollution control laws, codes, ordinances or regulations.

Therefore, we recommend that all exemptions, and all provisions which in practice have the effect of creating

exemptions, to our air pollution control legislation be struck out of the legislation immediately.

In addition, we recommend that, as soon as the Ontario air pollution control commission has been established and has started to operate, every section of The Municipal Act, which purports to deal with air pollution and smoke control matters, be repealed forthwith.

3. *That the proposed air pollution control commission should deal with the control of air pollution originating from railways as they pass through this province.*

The committee is satisfied that The British North America Act, 1867, gave the province of Ontario the power and the duty to enact legislation to protect the property and civil rights of its citizens and to look after their health and welfare. That being so, the committee is of the opinion that the government of Ontario must assume that responsibility, and to that extent, the proposed commission should be empowered to formulate and enforce air pollution control limits, codes and rules which affect and deal with railways in order to guard and protect the health, welfare, property and civil rights of Ontario citizens, but bearing in mind the undertakings and responsibilities of the railways.

In Ontario, railways still operate under the provisions of an obsolete order of the board of transport commissioners, dated November, 1908. On July 13, 1956, at the request of an official of The Department of National Health and Welfare the committee drafted a proposed revision of this old general order No. 18 of 1908. The committee's suggested revision is contained in this report.

In other words, the committee felt this was important, and we had a conference with the federal hon. Minister of Transport and we met with the board of transport commissioners in Ottawa; we had discussions with the presidents of

both the Canadian National and Canadian Pacific railway companies in Montreal; and after these discussions we came to some very definite conclusions.

We should mention that when the dieselization programmes of the railway companies are completed, these will relieve us of many of the bad smoke nuisances which plague our citizens today.

Nevertheless, dieselization will not provide a complete answer to the problem of railway air pollution by any means. The visible and the unseen contaminants emitted from diesel exhausts should definitely be controlled on railway engines, just as they must be controlled on diesel trucks and buses on our highways.

The proper solution for this will probably turn out to be the use of the catalytic exhaust muffler. However, this is a matter for the engineers of the railway companies and of the proposed commission to investigate thoroughly.

I think I mentioned once before that the large automobile companies have an inexpensive muffler just about ready to be used, and we are making reference to that here. It is a peculiar thing that the railways, so often, when they relieve or eliminate one nuisance, run into several others, and I think that could apply here. In some areas where the railways have made an effort to control the smoke and replace their coal-burning engines with diesels, we find that the people are complaining about the odour of diesel fumes, and also complaining about the noise of the diesel engines passing their homes at night.

Of course, electrification of railways in and near our cities would be the perfect answer to the railway air pollution problem, as electric engines produce no air contamination whatsoever. Railways are operated electrically in many cities and many countries of the world, much to the benefit of all concerned. Electrification of the railway lines in the larger Ontario urban centres would be an expensive proposition, but it is some-

thing which should receive careful study. It is quite possible that the results achieved by electrification would more than justify the cost involved.

When we visited Philadelphia, we met with the air pollution control officer and his staff and discussed the smoke and the fly-ash and general nuisance from coal-burning locomotives. Some 22 different railways run into the city of Philadelphia. It is a huge railway centre; I believe that, next to Chicago, it is one of the largest in the United States.

We asked the Philadelphia officials about the complaints from local citizens after complete dieselization in their metropolitan area, and were informed that before the dieselization programme they had been receiving 40 to 50 complaints a week from the citizens about smoke.

Our question then was: "How many complaints are you receiving from the citizens now that you are completely dieselized in the area?"

They said: "Two or three a month."

I think that points out the fact that dieselization of our trains, or of our engines, will go a long way to relieve this nuisance of smoke and fly-ash.

The fourth recommendation is that the proposed air pollution control commission should deal with the control of air pollution originating from ships docked, moored or navigated in any Ontario harbour, or operated in waters within provincial boundaries.

The committee is of the opinion that the government of Ontario must also assume this responsibility, for the same reasons as those given under recommendation No. 3, above, for undertaking the control of air pollution from railways, and, similarly, bearing in mind the undertakings and responsibilities of the steamship lines.

With the completion of the St. Lawrence seaway project, air pollution from vessels will undoubtedly become even more important to Ontario citizens than it is at present.

Hon. members might like to know that while in Montreal we had a conference with the president of Canada

Steamship Lines, and he informed us that Canada Steamship Lines are at the present time engaged in a wide-scale programme of changing their coal-burning ships over to oil. He assured us that in conjunction with the completion of the St. Lawrence seaway within another 4 years, at that time they would be completely converted to oil. He hoped that there would be no further nuisance from ships operating on behalf of Canada Steamship Lines.

We met, for example, the commissioners of the Toronto harbour board and talked over the problem; we also met the Hamilton harbour commissioners to advise them what we were doing; and in every case we received support and co-operation, and I do feel that any local situation on steamships can be corrected at the municipal level between the municipality and the steamship company concerned.

It is remarkable to report that the majority of ocean-going vessels, those that will be coming into our ports when the seaway is finished, burn oil; so that we are not going to have any particular trouble with those from across the ocean.

There is a point that we may have a ship which is owned in Sweden or Japan, and what are we going to do about it?

Well, we asked the people in New York City what they did about them, because they have a great many foreign ships coming into their harbour.

They said it was a fairly simple operation. If they find one of the ships is not complying with the New York City smoke by-law, they simply get the number of the ship, and if it is not possible for them to send one of their police boats out to speak to the captain, they simply contact the local office of the line in New York City, because all the foreign steamship lines have offices there, and they slap on a fine. These companies are fined right there in their New York offices.

So the harbour officials said: "You will have no particular problem there";

and the committee, as in the case of the railway companies, was assured by these people of their complete co-operation, because they realize the problem and the nuisance to the citizens of the province.

For these reasons, any matters to do with the ships can be handled on the local level.

For the information of hon. members, Mr. Speaker, that 1908 order—the Ottawa order—covers only the railways. The ships operate under, I think it is, The Canada Shipping Act; so there are two separate and distinct problems.

Recommendation No. 5 is that the proposed commission prohibit domestic incinerators, and consider with great care before granting permission for apartment houses to have incinerators, and also give immediate and serious attention to the disposal of garbage and industrial wastes.

The committee recommends that the commission investigate and deal effectively with the air pollution nuisances caused by municipal and industrial waste dumps. Also, that it study and control the programmes of municipalities for dumping and incineration, and recommend to them the most suitable and modern methods of garbage and waste disposal. That is something about which we are all concerned.

Sanitary land fill dumps, if properly operated, are acceptable, but open dumps should be abolished. Similarly, all open burning of every kind should be prohibited except in the most unusual circumstances, and then only when a permit to carry out the open burning has been obtained from the commission.

Mr. Speaker, I realize that a great many of us, including myself, like to go out on the street in the fall and rake up the leaves and burn them. It is a wonderful way of putting in a couple of hours; also, I realize that some people like to have a little incinerator in their own backyard to dispose of their own personal garbage. I do not think it is necessary that we should prohibit alto-

gether this type of incinerator, for, after all, a man's home is his castle, and we are not going to infringe too much on his property.

But at the same time, coming from the sublime to the ridiculous, I think I should report that in the city of Los Angeles, where they have permitted the use of backyard incinerators indiscriminately, they now have over a million of them, and they are one of the greatest contributors to the smog problem in Los Angeles.

If hon. members can just imagine a million of these dirty backyard incinerators burning all the garbage in the area, they will realize it is wrong. The burning garbage not only smells, but it causes dirt, filth and disease. The committee believes it is wrong.

We saw something of their operation down there. My colleagues and I were given the opportunity of going up in one of the Goodyear blimps, and it took us up above the smog line, and the smoke line, and we could see those backyard incinerators making their contribution to the pollution of the air. They are filthy things, and should never be permitted in our country.

So far as dumps are concerned, these are a great contributor to the air pollution problem; and we know that there are ways and means of disposing of garbage which are sanitary, economic, and which are to the benefit of the citizens. Therefore we are making certain recommendations that any municipality can, through the committee, if they wish, get advice and help on what to do about their garbage.

Incineration at its best is never completely satisfactory from an air pollution standpoint, and should be discouraged in favour of other more acceptable disposal methods.

Incineration at its worst is an absolute abomination. I believe that my colleagues who saw some incinerators operating in Los Angeles would not want to have them within 50 miles of their own homes.

A well-engineered municipal incinerator, designed to handle the load it is required to consume, should be able to satisfy the requirements of most existing air pollution control codes, provided it is equipped with sufficient effluent scrubbers. Although such an incinerator may achieve almost complete combustion, 20 to 25 per cent. of the ash will be emitted from the combustion chambers, and up to 15 per cent. of the ash will even pass through the scrubbers and out into the atmosphere.

Scientific tests made on good municipal incinerators, using the best available type of collectors, have disclosed that as many as 20,000 billion microscopic particles of dust, fume and vapour are emitted to the atmosphere per ton of refuse burned.

Therefore, in the opinion of this committee, whenever it is possible, municipal incinerators should be replaced by some other, more advanced method of garbage disposal.

We have seen expensive industrial incinerators, especially designed and professionally operated to handle dry industrial wastes, do an acceptable job of disposing of the waste without creating an objectionable air pollution nuisance.

While I am on this subject I should say that some of our worst offenders, in respect to air pollution and smoke control, are our schools and public buildings, including municipal, federal and provincial buildings; and I say that without fear of contradiction. We want to get busy and clean up our own mess, too.

However, domestic incineration is incineration at its worst. No home incineration of waste or garbage should be allowed, and the domestic incinerator in any form should be prohibited.

Most apartment house incinerators are far from satisfactory.

Some of the people living in outlying metropolitan Toronto or Sarnia or some of the larger urban areas could indicate just what a serious problem we have here.

All flue-fed incinerators should be illegal. For larger apartment houses, if there is a sufficient number of apartment units to justify the expense of an incinerator equipped with a secondary combustion chamber, auxiliary burners, effluent scrubbers, etc., then the burning of dry refuse could be permitted.

It is our opinion that all incineration should be prohibited wherever it is reasonably possible to do so.

We recommend that alternative methods of garbage removal and disposal should be thoroughly investigated by the proposed commission. For example, there are in use in New York, Pittsburgh, and at least 25 other large municipalities on this continent, modern efficient, sanitary, high capacity, completely covered, mechanical garbage pick-up systems which require only one man to operate each pick-up unit. Such a system could well replace apartment house incinerators.

Composting appears to this committee to be the most promising method of garbage and waste disposal. We believe that machine composting will ultimately prove to be by far the most economical and the least troublesome system.

It is indeed improvident to bury our garbage in the ground, to attempt to sink it under the waves or burn part of it and bury that part which is neither burned nor thrown out into the air when the garbage is needed and can be utilized as fertilizer and as a conditioner for the soil. Garbage and waste disposal is indeed a subject which will require the serious consideration of the proposed commission. Methods of disposal are still being used in many places today which are no improvement over those employed centuries ago.

With regard to composting, this is done by means of a large machine which grinds up the garbage into small particles, certain chemicals are added to it, and the mixture is put in a large vat, and "stewed up", and eventually it comes out in the form of fertilizer.

There is no odour to it and no problem; it is very easy to handle, and is

sold in bags. We have actually seen municipalities where money is being made on disposal of their garbage, their units are not taking up any room and they have no air pollution whatever. We suggest the municipalities look into this matter of composting, because we think it is a good idea.

The general aspects, effects and implications of air pollution were covered in a brief manner in our interim report, and we do not propose to expand unnecessarily this final report by the repetition of information.

However, some of the facts, because of their great importance, deserve the emphasis of reiteration. These facts, plus some other findings and recommendations demanding attention, follow:

The internal combustion engine is one major source of air pollution which must be controlled as soon as possible. The committee wishes to state again what we said in our interim report concerning internal combustion engines burning gasoline and oil. They are definitely a major source of air pollution and should be controlled as soon as this feasibly can be done. In this category, we include not only gasoline-powered automobiles, but also diesel buses, railway engines, and diesel-powered equipment of all kinds.

Motor vehicle registration in Ontario is increasing by about 100,000 cars per year. At this rate, we may expect a concentration of automobiles in our larger cities to reach a critical level within the next 5 years or less. By "critical level" we mean that concentration which will produce sufficient air pollution to be frequently and obviously irritating to average people on days when there is a lack of atmosphere-cleansing air movement.

Since the first of the year we have had several days like that right here in downtown Toronto. Even since the House has been in session one can take a look down University Avenue and see a smog or haze at certain times of the day, combined with the thousands and thousands of automobiles touring up and down University Avenue. By the

time these vehicles put carbon monoxide in the air, and the monoxide is mixed with some of the smoke in the downtown area, there is a nice set-up for smog.

Smog is poisonous, it is garbage, and should not be breathed by human beings.

I could cover a great many other parts of the report, but would like to leave some of it for other hon. members.

However, I would like to say a few words about our committee, how commendable they have been in their studies, in their devotion to the job, to their realization of this problem of air pollution and its importance. To give an idea of how important this problem is becoming in the United States, I understand that in a recent issue of the *New York Times*, the governor of the state of New York, Governor Harriman, is reported as asking the New York State Legislature to approve a bill appropriating \$5.5 million for air pollution in New York state, on a state level.

We know that the President of the United States last year approved a bill in Congress giving to the state and municipal air pollution authorities an amount of \$25 million to be spent over a period of 5 years, that is, \$5 million a year. Any municipal group or any state group interested in the problem of air pollution and smoke control can apply to the United States federal government for technical and scientific help and assistance. They do realize the seriousness of the problem.

MR. R. WHICHER (Bruce): Mr. Speaker, I wonder if the hon. member would tell me, does not the municipal government pay the most of it? The hon. member is talking now of the city of New York; what would the city of New York put up for their own air pollution problem?

MR. COWLING: Mr. Speaker, I am glad the hon. member for Bruce asked that question, because there is a little difference in the way they handle the situation in the United States, and the way we would handle it here in Canada.

The municipalities in the United States are very jealous of their autonomy, and in most cases they do not want any assistance from the federal or state government, they want to do it themselves. There are two state Legislatures out of the 48, the state of California and the state of Oregon, taking an interest. All the other programmes are at the municipal level, with a little assistance from the state authorities.

The New York City air pollution control group spend about \$1.5 million on air pollution; New York City did not receive any contribution from the state, none whatever, and I mentioned where the governor is now asking the Legislature to appropriate \$5.5 million to assist municipalities.

MR. WHICHER: Mr. Speaker, I realize the legislation must come from this government, but did the committee arrive at any rough percentage of cost as to what this government would be expected to pay in comparison with the larger municipalities which this really affects more than the smaller ones?

MR. COWLING: Mr. Speaker, yes, I can tell you that. We have not hit on any figure, as far as money is concerned. That is up to the government. We are just making suggestions and recommendations, and I want that understood.

However, we feel that, in order to get this air pollution control commission active and started on its programme, probably a couple of years would be needed to get the right kind of staff, technical and scientific, to do the job, because it is not a job for laymen.

This requires information and technical data and scientific research and that is all-important. We just cannot go at it in a hit-and-miss way. We think for the next two-year period, it might cost \$500,000, that would be my guess. I have just had a note handed to me that the New York City proposed budget is \$910,000, and metropolitan Toronto in their estimates have

set up this year \$220,000 for their air pollution control programme.

Mr. Speaker, it is amazing the number of our cities which have already started on a programme of controlling air pollution and smoke. Hamilton has a great organization; the city of Windsor is doing a good job; and the city of Sarnia and many other cities and municipalities in Ontario are starting out on a programme of air pollution. They want assistance and are looking to the province to give them that assistance. Does that answer the question?

MR. WHICHER: Yes, thank you.

MR. COWLING: I think something you would be interested in, too, Mr. Speaker, is the fact that air pollution is not a problem confined to the city dweller; air pollution also affects the farmer. We have many farmers who are hon. members of this House, and I know they would be interested and concerned about what could happen to their crops because of air pollution.

The individual who resides in a rural part of the province should not assume that he is free of the burden of air pollution merely because he lives in the country. He, like his city brothers, pays in more ways than one for air pollution. For him too it is much cheaper to enjoy clean air, and in case he believes that the air over his farm is not polluted, he must remember that the atmosphere can look very clean and clear and still be carrying tons of air contaminants across his property every day.

In the United States, in California, in the state of Pennsylvania, and in New York, we talked with biologists and botanists and experts on crops, and they say very definitely that air pollutants do take their toll on crops, and of produce like lettuce, spinach, turnips. The leafy vegetables particularly are affected to a large degree. Such vegetables are not as large, flavourful, or as good, as unaffected ones; it has been proven very definitely that contaminants in the air produce these results.

The farmer should also keep in mind that his crops do not have to be destroyed by an obvious attack of concentrated air contaminants, although of course this has happened in many places on occasion. We wish to remind him that he can, and probably does, suffer a steady, insidious loss, which is increasing year after year because of the imperceptible damage caused to his crops by air pollution.

This means that his plants and fruits are smaller and of inferior quality, but otherwise appear quite normal. There is a diminution in size of his peaches, apples, ears of corn, berries, kernels of grain, cabbages, radishes, spinach leaves, squash, turnips, cucumbers, tomatoes, and whatever else he grows, from the size they should be if they had pure air in which to grow. We have seen proof that this does happen, and the farmer never suspects the loss he is taking until it is pointed out to him.

We also saw experiments on cattle, and we know very definitely that certain contaminants affect cattle, and the milk and so on. It is time for every Ontario farmer to take careful inventory. It may be that his produce is of a smaller size than it used to be in the past years, its food value may be poorer than should be, its appearance may be marred by cracks or other blemishes. The number of units in his crop may be less than it should be.

Depending upon the individual contaminant components of the air pollution in his district, a farmer might suffer any of these losses or it is a distinct possibility that he may be suffering from all 4 of them. That is something about which the farmer should think.

We have already mentioned livestock and the fact that it does affect cattle particularly.

It used to be thought that fluoride air contamination occurred only in the neighbourhood of aluminum manufacturing companies. However, we now know that considerable fluorides can be

detected in the air over any large coal-burning city, and these are also given off in the manufacture of many things other than aluminum, including clay bricks, phosphate chemicals, steel, fertilizers, and so on. Therefore, this contaminant may well be originating within wind-carrying distance of almost any farm in this province.

The farmer should look carefully at his livestock. If the farm animals are undernourished he should consider the cause and it could be they are suffering from air pollution or perhaps they are arthritic or have suffered other changes which make it painful for them to bend down to eat.

Undernourishment means less milk and cheese, less meat to sell, less food for the young animals, and greater susceptibility to many infective and degenerative diseases which will cause even greater losses for the farmers. That is the information right down the line.

Air pollution is a serious health hazard, and I would like to say something about it. The committee is mainly interested in the health of the citizens of the province of Ontario, and secondly in the property damage, but mainly health. We are convinced that air pollution is always injurious to health in some way, to a greater or lesser extent depending upon the severity of the pollution. The health damage may be physical, mental, or both.

When the pollution is relatively mild, the health effects may amount to only an anemia-like tired feeling and a loss of desire to do a good day's work or enjoy an evening's recreation. When the air contaminants present are of a more toxic nature, and their duration in one region is long enough to permit photochemical oxidation, polymerization of hydrocarbons and other inter-reactions to occur in the atmosphere, the results can be most serious.

In speaking about metropolitan Toronto again, I may say it also applies to many of our larger cities in Ontario.

A person may start home from the office, get on to Fleet or King Street, and then start up University Avenue

and from there on it is stop and start over and over again. He is breathing in the exhaust fumes, there is no question about that, because he can smell them, and eventually when the poor husband gets home in north Toronto, he is half blind, very irritable, and is liable to argue with his wife and abuse the children.

That is air pollution, and it is bad. The effects of the fumes from the cars can have a bad effect on the health and welfare and good nature of the citizens, and I am not just fooling about that.

The effects of air pollution on health may range through a spectrum of disease from mental depression and a loss of normal vitality and efficiency through headaches, chronic bronchitis, sinusitis, asthma and other allergic manifestations to cancer and death. When pollution is very severe and under very unfavourable weather conditions, we know it can be quickly fatal in its results.

I would mention what happened in London, England, in 1952 when 4,000 people died as a result of air pollution.

We can think of two places in the States which have already reached the danger point. They are especially concerned in Los Angeles; the other members of the committee will back me up on this point. So, it can happen.

We are equally satisfied in our own minds that under less critical circumstances smog acts as a life shortener in more ways than one. It is said that city people do not live as long as country people and, as far as I am personally concerned, there is a great deal of difference in the breathing of air we get in downtown Toronto than the clean air I get up on Manitoulin Island in the summer.

We believe that there is ample authority and a continually increasing amount of evidence to justify the statement that air pollution is a major cause of lung cancer and other malignancies. The Ontario statistics, on which we based the statements made in this connection about several of our cities in our interim report, strongly suggest this conclusion. Addi-

tional data collected since then supplies even more support for this opinion. I need not enlarge on that, Mr. Speaker.

It is a well established fact that infants are the first to die in lethally severe smog episodes. We are of the opinion that the chronic levels of air pollution over our cities should be investigated as a cause of infant mortality.

We believe that air contaminants are well worth considering as one of the reasons why the infant mortality rates of a province, which is so advanced in most aspects of public health as Ontario, continue to remain appreciably higher than the corresponding rates of a few other countries where air pollution is no significant problem because of electrified railways and a predominantly agricultural rather than an industrial economy.

Hon. members will remember the last statistics of the last federal health survey showed 46,000 babies died prematurely in Canada which had one of the worst death rates for infants in the world.

I will say a few things about smoking. I will not speak too much about it because we have a good bunch of incinerators right here in the House. But, I will say this in regard to smoking, it has been estimated as the result of a scientific study of the effects on air pollution of cigarette smoking, that the smoking members of a population the size of Ontario's will throw into the air more than 12 tons of contaminants per day. Each smoker adds to his intake of carbon monoxide by smoking and, in other ways, seriously increases his own personal air pollution problem and hence multiplies his chances of developing lung cancer.

Unfortunately, circumstances frequently force the non-smoker to also inhale the second-hand smoke of others to the detriment of his health as well, and half that rate is right in this building around noon hour.

We have all had the experience of sitting in a restaurant or at a counter having a cup of coffee when, immedi-

ately, somebody lights up a cigarette or cigar and we smoke more of it than they do. It is not very healthy.

We do not wish to go into great detail concerning the many possible hazards to health and safety produced by the multitude of air pollutants which are, or could be, in our atmosphere. Volumes could be written on this subject and, of course, a great amount of research still remains to be done. It is sufficient to say that dust-fall samples taken in our major cities prove that hundreds of tons of dust, soot, fly-ash, metallic oxides, and organic matter of various kinds, fall on each square mile every year. For every ton of air pollutants that falls, and is actually measured in these dust-fall studies, there is at least a like amount of other contaminants which remains suspended in the atmosphere in particles small enough to be inhaled deep into the lungs. In one city there have been identified over 50 different elements and compounds which help to compose the air pollution of that municipality. Other substances wait to be identified.

Air pollution control is an important job worthy of the attention and abilities of the leaders in business, industry, science and government. I am not going to say too much about that one, but it is a big job for those people mentioned.

No. 10, that the majority of the details of ways and means of securing effective enforcement of air pollution control codes, rules and regulations should be left to the common sense and good judgment of the proposed air pollution control commission — with some principles for guidance. In other words, in dealing with this problem, it is necessary to use the good old common sense as the yardstick. After all, we are not going around the province closing down industry or making it difficult for industry to come into our province. We do not want to do that at all. We simply want them to be good mannered. It is not a nice thing for a person to dump his garbage on his neighbour's lawn every day or smoke up his house, and in the same way industry should not be per-

mitted to pollute the air and contaminate the surroundings. Therefore let us be good mannered about this.

There is a dearth of personnel trained in the sciences and technology of air pollution investigation and control, therefore the proposed commission should be established promptly and authorized to start, forthwith, recruiting as many suitable staff members as can be attracted to the commission, and to begin training as many more as are required to provide adequate service in this field for the citizens of Ontario.

In other words, let us go on with the job now and line up, in part, many of the professional staff required.

The proposed air pollution control commission should give some consideration to planning and zoning in Ontario municipalities. It is very important that we be in a position to advise industry and manufacturers and those coming into our province what to do to control air pollution and smoke. It should be part of the job. Let us advise industry before they start, and then they will know exactly what they should do.

We have had the greatest co-operation from the Canadian Manufacturers' Association and their special committee dealing with air pollution. We met with them, discussed mutual problems, and have received their briefs. So we feel they stand ready to co-operate with the province of Ontario in anything we might do.

I would like to say, as I said before, that during our investigations we have had a lot of co-operation and help from Mr. Harry Belyea, the air pollution control officer for metropolitan Toronto, and Mr. Charles Newbury, the scientist with the Ontario research foundation.

We have had the opportunity of discussing the problem with Dr. Morris Katz. Dr. Katz is the adviser and air pollution consultant to The Department of Health and Welfare in Ottawa. We also had a very interesting and well-meaning discussion with the hon. Paul Martin, Minister of Health and Welfare, who has given us assurance of federal support.

Everybody, and we mean literally every person in the province, whether living in a large city, or on a remote farm or in the bush or mining country, is involved in and should be concerned with this vast, complex, serious problem of air pollution. Everybody contributes to the steadily increasing sum total of air pollution which flies through the air with the greatest of ease, even up to the Arctic circle. One may not inhale the air pollution which he personally produces, but someone else, somewhere else, always does, and we, in our turn, must breathe the aerial garbage discarded into the atmosphere by other people, whether we know it or not, and whether we like it or not. This is the ideal field in which to apply the golden rule.

Everybody suffers from air pollution, whether or not he realizes it. Everybody, every day, sustains substantial financial loss because of the pollution in the air. Everybody, especially the housewife, does considerable extra, unnecessary work caused by air pollution. Hon. members would be amazed at the number of wonderful housewives who have come to our committee and discussed the problem, and brought along some of their dirty washing; and, after all, we do pay attention to what our housewives in the province of Ontario say.

Everybody struggles with some physical and mental ill-effects from air pollution, and this committee is convinced that the effects are fatal sooner or later for no negligible number of unfortunate people. Would any hon. member permit someone to force him to drink the sewage from his neighbour's bathtubs and toilets and do nothing in protest? We are satisfied that inhaling the refuse which is carried on every breeze can do just as much harm and maybe more.

That might sound like quite a statement, but we actually had proof of the fact that what one might drink out of the bathtub is not nearly as bad for one's health as what we breathe into our lungs every moment of the day,

and that is a scientific fact. I am not recommending anybody try it, but we know it is true.

Everybody, and that means not only all parties in all levels of government, but also every individual citizen, must be made aware of the immensity and importance of this problem, and must be educated to be willing and anxious not only to pay for, but to help in every possible way, in combating and controlling air pollution in our province. Air pollution is everybody's concern because it may be anybody's funeral, perhaps some hon. member's.

I would like to finish on this note, Mr. Speaker: everywhere we have gone visiting the municipalities in the province of Ontario, they have all urged upon us the setting up of some type of provincial authority to which they can go for technical and scientific help and advice. They want it; they need it, and I urge upon you, Mr. Speaker, and the hon. members of this House, that you implement the recommendations and the proposed bill in our report, and let us have some action at this session so that we can get on with this important job of making the air cleaner for the citizens of Ontario.

MR. G. T. GORDON (Brantford): Mr. Speaker, on rising to speak on the report of the select committee on air pollution and smoke control, I feel I should say a few words of commendation to our very efficient secretary, Dr. Frederick A. Evis; I feel we were very fortunate in having Dr. Evis with us. His legal and medical knowledge and training were of great assistance in the deliberations and hearings, and I believe that this report does him credit. He gave many of his evenings and week ends to the work of this committee.

In the committee's visits to many of the large American cities, we were told that the government of Ontario should be commended in the action it had taken in appointing this select committee on air pollution and smoke control.

For many years we have had in Canada pure food laws. We have federal inspectors who call regularly on our food processing plants, retail food establishments, abattoirs, and very little has been overlooked to see that the people of this country and this province have pure food.

We have very efficient and costly filtration plants so that nothing has been overlooked to see that the people have clean, pure water. In my own city we have a full-time chemist who tests the water many times a day going into our mains to see that we have clean, pure water. He does a very good job with the product he has to deal with.

We also have pasteurized milk. Everything known to science has been done to give us pure food and pure water.

But when it come to the air we breathe, nothing has been done—or very little has been done — and when hon. members consider that the average man or woman consumes about 4 pounds of fluids a day, and 2 to 4 pounds of food a day, and yet we breathe from 8,000 to 16,000 quarts of air a day, which is equal to about 30 to 50 pounds of air, as I say, little or nothing is done. I believe hon. members will agree with me that clean, pure air is very important to our health and well-being, and that dirty, foul air is harmful to health, damaging to property, and in many places has been known to damage our crops and our farm products.

After making studies with the committee in visiting air pollution groups in many large cities, and large manufacturing plants which have corrected air pollution, I am convinced there is no need for our people to live with dust, dirt and chemicals in the air, and there is not an air pollution problem that cannot be cured. Even the emissions from our cars, buses and trucks, which are well known to be deadly, I feel sure will, in the near future, be either very much lessened or eradicated altogether.

We have seen many instances of serious air pollution problems which not

too many years ago were accepted because it was believed nothing could be done. One instance comes to my mind: I remember the committee visiting the great Cadillac Motor Company in Detroit which at one time had a very serious dust and dirt problem.

People and property in the vicinity of this plant really suffered, and must have suffered for many years, because the plant itself had spent \$4,000 every 3 months to clean the dirt and dust off its roofs. If it had not done this the roofs would have been damaged, and if it had continued to fall on the roofs they would have caved in.

This company decided something had to be done. Air pollution experts were consulted and equipment at a cost of \$500,000 was put in. We were taken up onto the roof of the Cadillac Motor Company in Detroit and were shown they now have no dust or dirt on their roofs.

We visited many of the plants that had corrected bad chemical odours—dirty, black sooty conditions. I repeat, I believe there is not an air pollution problem that cannot be corrected, and there is hope for this dirty city of Toronto that through legislation and co-operation with industry we will have a city here as clean as Pittsburgh, Pennsylvania, which was once the dirtiest, smokiest city in America, and which now has a new look, all through the co-operation with air pollution officials and with industry.

This report when implemented will give many of our cities a new look. Better health will be ours and millions of dollars will be saved for the people of this province. That an Ontario air pollution control commission, as recommended in the select committee's report, should be appointed, and appointed as soon as possible is essential. This report of the select committee will be absolutely no use unless it is implemented.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, I would like to say how much the hon. members of our committee regretted the sudden passing of

the late hon. member Elmer Brandon. He was regarded as one of the able members of our committee, was highly esteemed and respected, and it was a tragic loss to hear, on such sudden notice, that he had passed away. I assure you, Mr. Speaker, the hon. members of our committee feel this assembly lost a good member and a very good friend.

I want also to pay my respects to our able hon. chairman, who, I think, did a very fine job, and also to Dr. Fred Evis, our able secretary. Frankly, I believe he has done a magnificent job, and I think that the hon. Minister of Health (Mr. Phillips) is fortunate in having men in his department of the ability of Dr. Evis.

I also would like to pay my respects to Mr. Harry Belyea, the air pollution commissioner of metropolitan Toronto, and Mr. Charles Newbury, of the Ontario research foundation, for their assistance and co-operation with the committee at all times.

In the preamble of the report, giving the number of municipalities visited, and the number of briefs presented, one can see that the committee had a very busy two years. The visit to California by the committee was criticized in some quarters because of the expense involved, but when the committee was first appointed all the hon. members of the committee were not too well acquainted with air pollution, and the visit to California, where we had the opportunity of meeting with the air pollution people there, gave us an opportunity of starting on a very firm foundation for our future studies of air pollution.

Sometimes industry has been very critical of the activities of the committee. In one brief we were advised to be very cautious in our recommendations because there was a danger that, if the recommendations were too stringent or too rigid, industry might be tempted to move away to another location.

I want to say this with some emphasis: I do not think that industry has faced up to its responsibilities in respect to air pollution. We found industries which were not prepared to co-operate

in solving this very great problem. I agree that we cannot get 100 per cent. pure air, but in a spirit of co-operation we can greatly improve the present situation.

One of the blackest spots visited by the committee was the Sudbury basin. We listened to a brief presented by the International Nickel Company, and it was a very informative presentation. The importance of the nickel industry was stressed, and the figure given was that the Sudbury basin is the largest producer of nickel in the world, and ranks fifth amongst the copper producers.

We were very greatly impressed with those figures, and I can assure you, Mr. Speaker, the hon. members of the committee would not do anything in any way at all to jeopardize that very favourable position although we were greatly disturbed with the sulphur content emitted into the atmosphere.

In order to take some of the sulphur away from the Sudbury area, the company has built what they boast of as the largest stack in the British Empire, but I do not think that is enough because, in my own mind, even if we have the largest stack in the British Empire, it only has the effect of taking the pollution higher into the atmosphere and disseminating it over a greater area. I do think that this company could do much more in the Sudbury basin than they are doing.

I think that the hon. Prime Minister (Mr. Frost) was well aware of the problem in Sudbury, even in 1948, when he was hon. Minister of Mines, when speaking in the preamble quoted from the report of the Ontario research foundation:

From the data supplied by The Ontario Department of Mines, it is estimated that the amount of sulphur involved in the form of sulphur gases from the Sudbury area averaged 920,000 tons annually in the years 1936 to 1940, and 1,256,000 tons annually through the years from 1941 to 1945.

That figure, with the greatly increased production in the Sudbury basin, would be even higher today. With the payment of the annual amount of \$500,000 into a fund administered under The Damage by Fumes Arbitration Act, and the erection of the tallest stack in the British Empire, the International Nickel Company seems to think it has accomplished a very great deal.

I do not think so. In the first place, as I mentioned previously, it only disseminates the pollution over a greater area.

In respect of the compensation awards, there is a great deal of dissatisfaction in the area amongst the farmers. I need not dwell on the brief presented by the farmers' union on January 16th, in which it is stated:

As a means of solving this cancerous problem and continuous injustice being done, the farmers of Sudbury district would respectfully recommend that the Ontario government enact legislation which will compel International Nickel to remove the poisonous gases from the smoke.

Very little has been done in recent years to correct this situation in Sudbury. Many excuses have been made by the company; that was obvious in the brief being presented to the committee. One statement was that the filtration equipment would be too expensive, and another was that they could not find a market for the sulphur to be extracted from the fumes.

But very little regard has been given to the damage to vegetation and livestock in the area. The expenditure of money can always be justified when it is a question of the health and welfare of the people.

It was interesting to read in the *Toronto Daily Star* of January 23rd that an agreement had been reached between the Texas Gulf Sulphur Company and the International Nickel Company for a pilot plant to extract sulphur from the fumes, and that contracts had been signed to date for the delivery of

100,000 tons of acid per year beginning early in 1958.

So, if it is a question of profit they can find ways and means of installing equipment that will extract the sulphur fumes out of the atmosphere.

We can conclude that the people of Sudbury have suffered long enough with a problem which could have been minimized years ago. It seems the profit motive to some people is much more important than the health and welfare of the residents, and perhaps with the installation of modern equipment, if the recommendation of the select committee regarding the appointment of a commission is accepted, the people in Sudbury will receive at least some relief.

Mr. Speaker, I do not want to leave the impression that all my criticism is directed at International Nickel. I think the council of the city of Sudbury could have done a little more than they have done, but we hope if the recommendations made by the committee are acceptable to the government then local councils, too, have a responsibility and should have the intestinal fortitude to go ahead and enforce the regulations that will be approved in this Legislature.

Every morning when I drive up from Oshawa, as I drive around the lake front, one cannot help but be impressed with the great amount of smoke in this area. Truthfully, I think it is one of the bad areas—the city of Toronto—that the committee visited. I think it is a situation which could be easily corrected, for, qualified engineers inform us that if proper filtration machinery was installed a great deal of the smoke sent into the atmosphere could be removed.

Yesterday when at home I used my cigarette lighter, and I thought that this afternoon I would give hon. members a little practical demonstration of what I mean when I say that the cause of the smoke nuisance, particularly in Toronto, is because of improper combustion methods.

I am not selling cigarette lighters, and am not peddling filtration machinery, but I just want to give hon. members a

practical illustration of what I mean when I refer to faulty combustion.

I have this lighter in my hand and hon. members can see the state of the paper. On this lighter there is a little contrivance which costs a fraction of a cent, I suppose, and it is called a wind guard, and it causes an updraft. Now we will see the result of lighting the lighter with the guard on, and we can see the difference it makes. That is what we mean by improper combustion, and with an expenditure of not too much money would bring relief to the people of Toronto and the province, and would be a very great advantage.

In conclusion, I think that the report presented to hon. members is an honest appraisal of a very great problem. All the hon. members of the committee are very sincere in making these recommendations, and realize the committee was appointed two years ago; two years has elapsed, and in that two years very little has been done. We think the problem is of the greatest urgency, and I join other hon. members of the committee in hoping that the government will introduce legislation immediately to set up a commission to alleviate this great problem.

MR. R. E. ELLIOTT (Hamilton East): Mr. Speaker, I can tell the hon. members that it was certainly a great privilege and pleasure for me to serve on this committee and to take part in the several deliberations we had in connection therewith. We were certainly very ably assisted by our very efficient chairman, the hon. member for High Park (Mr. Cowling), who certainly handled the situation very efficiently; and, of course, our very able secretary who has been mentioned several times this afternoon, Dr. Fred Evis; and, of course, Mr. Belyea, and our other colleagues. They all contributed greatly to the work of the committee, and more or less gave us the help we needed to bring down what, I think, is a very interesting report.

I am going to reminisce on our travelling around the country; where we went and what we did.

After a couple of short meetings in Toronto, at which we gathered some very important data with regard to railways and the steamship industry and so on, we travelled to Los Angeles. We spent 6 days in the city of Los Angeles, and looked over the problem of smog. We inspected municipal buildings, several industrial plants, and looked over municipal incinerators and oil refineries.

They certainly have a real problem in that city, but are working on it very hard. The University of Los Angeles has two professors working practically full time on the problem of smog at Los Angeles; plus that, they have a staff of over 60 people. And the chief of that staff, let me point out, gets \$43,000 a year.

They have gone what I would say is "all out." They estimate that their problem—about all I can say is that they have diagnosed, to a great extent—today is 50 per cent. the motor car, truck and bus; 15 per cent. the municipal incinerator; and 35 per cent. industries. We saw industries working in Los Angeles which were really doing a remarkable job, and certainly there was no smoke coming out of their chimneys at all.

We went from Los Angeles to San Francisco, where we spent 3 days in that city. We had a conference with the municipal officials and the officials on smog. We also visited the University of California. There are two universities in San Francisco, and we visited both of them and had conferences with the professors; and they, too, are working overtime on this problem. They have practically the same problem, although they will not admit it, as they have in Los Angeles; and it is mostly due to the motor car, truck and so on.

We travelled from San Francisco to Chicago and spent 3 days there. Again we had conferences with their smog and smoke officials. Chicago is in a most fortunate position, situated as it is. It is more fortunate than any industrial city in the United States, probably

also many in Canada, with the exception of the city of Hamilton, to which I will refer later.

The prevailing winds in the Chicago area with their industries situated along Lake Michigan drive 81 per cent. of the smoke and smog out over Lake Michigan. They have not the great problem from the big industries, because approximately 81 per cent. of it is being driven over the lake. But they are working very hard on other problems. They are cleaning them up, and have a very efficient staff working at it.

We went from Chicago to Detroit, where we spent several days, and found in that city probably one of the most efficient organizations working in the United States. I would say that Detroit has been cleaned up better, probably, than any other city in the United States. We found them using domestic incinerators in plants, where they were burning rubber and cloth and every known kind of garbage, and found no smoke coming out of their chimneys.

We also spent a couple of days in Windsor, and, of all Canadian cities, probably Windsor is doing the best job. They have a very efficient organization, doing a splendid job in that city.

We next visited Philadelphia, and that has been mentioned at some length by our hon. chairman. Philadelphia had severe problems from railways, but they have become one of the main chemical cities of the United States. The lower part of Philadelphia, which was almost one-third of the city in 1945, had several hundred acres of vacant land, and in that area had 3 plants, one of them manufacturing fertilizer and two plants rendering fats and so on from scrap meat and bones.

That always poses quite a problem; and they had quite an odour. They had, I believe they told us, around \$3 million of an assessment from that whole area. They decided to clean it up and did, and after 12 years, it has been claimed that they have over \$100 million of an assessment in the same area. There is no room available for additional in-

dustry. The area is completely filled with industry and they are starting to reclaim the marshy land towards the Atlantic Ocean.

Next we visited the city of Pittsburgh. That has also been mentioned this afternoon. It was, at one time, considered one of the dirtiest cities in the world, and to my surprise, today it has been cleaned up tremendously. One of the main reasons they started to clean up Pittsburgh—and we were told by their officials, and by the industrial people themselves—was that it was so bad that even the owners of the big steel plants could not persuade their sons to go to work in their own plants. The boys told their fathers, who were the owners of these plants, that they were not going to work “in that dirty hole”; and, today, we have the sons running the plants.

It was due to the efforts of these same sons, who are running the plants today, that it was cleaned up.

We saw some plants in Pittsburgh taking 90 tons of ash a day from their chimneys to the dump. They are doing a remarkable job. In Pittsburgh, they used, over a period, very soft coal and that caused the terrific smoke problem. I believe it was probably worse than the industrial plants themselves. They have gone ahead and brought gas into Pittsburgh, and in private homes today, it is 95 per cent. gas instead of coal; and that has contributed to the cleaning up of Pittsburgh more than any other one thing.

We then visited the city of New York, where again we were met with a very efficient department working on the same problem. They have expanded to a greater extent than any other such organization in the United States. They have gone so far that they are investigating smog effect on trees, grain and fruit crops, clover, hay, fruits and vegetables. They were able to prove to us the tremendous effect that smoke, particularly from gasoline and diesel engines and the oil heating plants of big department buildings, burning within certain dis-

tances, has on vegetation of various kinds, as mentioned by our hon. chairman at some length this afternoon.

Later we visited the city of Montreal, where we had conferences with both railways and with Canada Steamship Lines, who are still the largest contributors to smog and dirt in this area, and it is hoped that from these conferences we may eventually get some help in this area. I hope to see the day in the not too distant future when my own city of Hamilton will be practically clear of smoke and smog.

The great problem in all cities, including Hamilton, is the escape gas from the automobiles, diesel trucks and buses, together with gases from our chimneys from oil heating plants. If we could obtain gas from Alberta, or any other place, and in my opinion if we burned this natural gas in our cities, we would eliminate the problem of a lot of this smog in the city of Hamilton and all cities of Ontario, because I believe gas would be a much cleaner burning fuel, from the standpoint of air pollution.

In my opinion we have exactly the same problem as they have in Los Angeles, although we have not encountered it to the same extent. Fifty per cent. of our problem is from automobiles, trucks and buses; about 35 per cent. probably from industry; and 15 per cent. from all other things, including our homes where we are burning oil and coal, and where I believe we would be working far more efficiently if we were to use gas.

From the studies I have seen, I believe that Hamilton is one of the most fortunate cities in the country, next to Chicago, as I am informed that pretty well 80 per cent. of the prevailing winds in Hamilton are blowing the smoke and smog from industry over the bay.

So, in spite of everything stated by the planners of the future regarding the lakeshore developments in Hamilton, I believe all heavy industry should be located along the waterfronts, where the prevailing winds will help to drive the smoke out over the water instead of overland.

I feel that industry in Hamilton should be placed, that is particularly heavy industry, along the shores so that any effect of smoke or smog would be dissipated on being blown away from the populated areas. It would be a great mistake to put heavy industry along the south end, underneath the mountain, where the dirt and smoke from those industries would have a tendency to blow over the city and deposit dirt.

In planning for the future, great study and consideration should be given to the prevailing winds, which have more to do with dirtying up a countryside than anything of which I am aware. If an industrial plant can be laid out in such a way that the dirt will not be blowing over the residential areas or the farm areas, but rather over some area where it will not do too much damage, it will be a great saving and a great aid to the health and prosperity of the people of Ontario.

MR. E. P. MORNINGSTAR (Welland): Mr. Speaker, at this time I would like to join former speakers and hon. members of this committee in commending our very able secretary, Dr. Evis, on the wonderful job which he did as secretary of this committee, also our technical adviser, Mr. Harry Belyea, and also a young lady who worked behind the scenes as secretary to our secretary, Dr. Evis—Miss Gertrude Cowan. I know that she spent many a late night in arranging our itinerary, and in preparing our agenda and otherwise arranging for these different meetings throughout the United States and Canada.

I had a speech prepared which I suppose would have lasted about an hour, but earlier speakers have "stolen my thunder." I do not see any use in being a parrot or anything like that. Therefore, at this time I want to say to hon. members of this House, to show how important is the report that was prepared by this committee and its secretary, that we have had requests for it not only from the United States but from different countries in the world.

I am told that we have received requests for our report from all over the United States, England, Japan, South Africa and elsewhere, and also for any correspondence dealing with this problem of air pollution. You can see, Mr. Speaker, the importance of this committee which was set up.

I must not forget to commend our good hon. chairman of the committee for the wonderful job that he did. He was a great leader and we were very happy indeed that he was appointed to this important position.

I should also like to say something about hon. members in opposition here, the hon. member for Oshawa (Mr. Thomas) and the hon. member for Brantford (Mr. Gordon), who were very co-operative in every way in carrying out the duties of this committee, and I am sure we all appreciate it very much indeed.

In the different places we visited in this great province of Ontario, where we dealt with municipalities or ridings, the various hon. members of this Legislature were there to meet us. I refer to Sudbury and other ridings throughout the province which we visited. It was the same with representatives of municipalities. They were there to greet us and on every occasion commended this government for setting up this committee and endeavouring to do something about air pollution.

We were very grateful for such consideration and it certainly made the hon. members of the committee feel better. Also there have been many editorials in different newspapers commending the government and hoping that the recommendations of the committee would be carried out and the commission set up.

Dealing with my own municipality, two of the councillors of the different municipalities in the county of Welland, as well as the citizens, attended our meetings and I must say that we were very proud indeed to have the air pollution committee visit our area. Members of the committee, I believe, were

very much surprised at the number of industries we have in our county.

Our visits to the large manufacturing centres, both in the United States and Canada, were very helpful to this committee, particularly when it came to preparing a brief to be submitted to the Legislature.

It was very interesting to learn of the different methods employed in endeavouring to control the smoke nuisance. Some places had smoke abatement key officers. In other places a group of citizens and probably some representatives from business or the manufacturers' association worked in harmony, and we were very pleased to get their information on what they were doing in connection with air pollution. A very good point which the hon. members of the committee learned was that the manufacturers had set up of a committee dealing with the problem and assured the hon. members they would co-operate in every way possible.

In the city of Pittsburgh and district, the industries themselves have an air pollution officer, and we were advised that today they are collecting 90 tons of fly-ash and soot that used to be released from their stacks, polluting the area. That probably does not sound right, but that is what we were told, that 90 tons of fly-ash is collected every day which at one time used to float out into the air. We were also told that any day during the week, it does not matter what kind of day it was, whether the sun was shining or not, a motorist had to turn on his headlights in order that he could be seen a block away.

In many instances where these collectors have been installed, they pay dividends by collecting by-products which are then sold. In our great county of Welland, we visited the Ontario Paper Mill at Thorold, whose main product is newsprint. They are suppliers for the *Chicago Tribune* and the *New York Herald*, and produce 640 to 650 tons of newsprint a day. The committee was told that now they have by-

products from materials which formerly were waste, such as vanilla, which is used in making vanilla flavouring, and ethyl alcohol, which is used in the manufacture of rubbing alcohol for industrial purposes.

Other hon. members have mentioned different types of air pollution. There is one which I think we will all agree is a great nuisance, and which is very important to the health of our people, and has caused an undue amount of suffering. I refer to two conditions only, but I understand there are many others. The first is hay fever and the second is asthma. Both of these are caused by pollen from certain grasses and weeds, particularly during two seasons of the year.

This committee was told The Department of Agriculture and The Department of Health have organized educational programmes in conjunction with municipalities, in order to inform the people when each of these plants pollinates, that they may cut them down before the pollen season. That is something which is very, very necessary and I hope that the proper departments will further their studies in this connection.

I am sure that the presence of the hon. Minister of Mines (Mr. Kelly) added prestige to this committee, and we were very grateful to have him along when we visited the different mining areas, such as Sudbury and other parts of the United States and Canada.

Mr. Speaker, I am not going to speak any further, but I would strongly recommend that this Legislature carry out the recommendations of this committee, and again I want to say I was very proud and happy indeed to work along with such a committee as was appointed here.

MR. W. MURDOCH (Essex South): Mr. Speaker, I believe that the importance of air pollution in the province of Ontario and the work of the air pollution committee have been well explained by our hon. chairman and hon. members of the committee. I would like

to add, however, that when I was first appointed to this committee, I was not actually interested in the matter. I did not think it was of much concern to the province of Ontario, living, as I do, in an area of, shall I say, pure air.

However, from the correspondence the committee received and the delegations which attended our hearings — and I was particularly impressed by the ladies who attended — I began to see that air pollution even today is quite a problem in the province of Ontario. The problem will be much greater as we have expanding industry and new chemical and industrial processes, bringing new gases, new exhausts, and new pollutants.

This is something which cannot be solved, as attempts are being made to solve it at the present time, on the basis of the municipality, because we find that quite often a town may be suffering from pollution which comes from a factory or plant in a neighbouring municipality.

Therefore we see that air pollution does not keep within the bounds of one municipality. I believe it has to be tackled on the provincial level, and I know that the municipalities are looking to the province of Ontario for some guidance and assistance in this problem.

I was most particularly impressed with the damage being done in various parts of Ontario—physical damage to property. The point is that houses need painting, or in some cases it is no use painting them, and that is true of some places in Ontario. To hear the housewives complaining about the dirt, dust and fly-ash on the front porch and destroying the clothes is to realize that these are real problems for the housewife.

The hon. Minister of Highways (Mr. Allan) has signs which say that if a person throws a little litter on the highway, he is liable to a fine of \$50; but we find many plants in Ontario which are actually littering the air and, of course, somebody receives that litter somewhere eventually.

I am sure that those in executive offices, perhaps the manager of the

plant, would be quite surprised if a few of the ladies, who collect all this dust and dirt in their sweepers, were to gather together about 100 pounds and throw it in the office, say of the president of the company, and say: "Well, this is yours, it came from your smoke stack, perhaps you would like to have it back again."

We find there are a lot of people throughout the province who are really suffering from damage by air pollution.

The committee have found in their studies and so forth that many people, many plants and many individuals, are actually wasting all kinds of fuel through improper combustion, and this improper combustion throws the pollutants into the air.

The hon. member for Oshawa (Mr. Thomas) gave us a demonstration. I am not going to demonstrate this myself, because I would have to light this little paper funnel to do so, but it was demonstrated to us in a city which we visited, by a professor of the university there. He took a funnel of paper like this and lit the top, and of course the paper burned very well, there was plenty of oxygen. Then he gradually turned the funnel up like this, on to its side, and of course the flame began to go down and the smoke came up and poured from the end. He simply touched a match to this smaller end, holding it uppermost, and we had a lovely flame.

I tried it myself when I got home, and it works; it actually does burn. The question that was asked at that meeting of the professor was, "Then if we could go and light up some of these smoking chimneys, we would get rid of this problem of air pollution," and that is perfectly true.

I believe that a real start can be made in tackling this problem with the proper zoning of industry, for one thing, and that could be done through The Department of Labour, where plans of all new industrial buildings are checked and examined as well as seeing to it that these plants have the proper facilities; fire protection and elimination of hazards for workers. When the plans

are checked it could be insisted upon that air pollution be taken into consideration and equipment installed so that the air would not be polluted from those plants. I do not think there is any question about it, industry will probably have to realize that a small percentage of the actual cost of their buildings, perhaps about one or two per cent., will have to go towards putting on installations to reduce air pollution.

We know that we cannot abolish pollution of the air, but we can certainly hold it down and see that it does not get any worse than it is at the present time.

It is not an easy matter to go into this problem of enforcing air pollution control. In the first place, I think it was mentioned by our hon. chairman that we would have to have men who are properly qualified to do the work. This means they would have to go into the plants and be able to discuss with the engineers, those looking after the boilers and so forth, the latest methods of controlling air pollution and getting a proper and whole combustion. It takes time because we realize, in comparison with the United States, we have done nothing in Canada with regard to training men so they will be able to give the proper advice where it is needed.

Mr. Speaker, in concluding my remarks I would like to compliment Mr. Harry Belyea, who is from The Department of Health, and also our stenographer Miss Gertrude Cowan, who really did a lot of work. We have had a tremendous amount of correspondence on this committee, and we have had many requests from many countries for copies of our report; that is, the preliminary report we presented last year. Also, the publicity our committee received in the various cities sponsored all kinds of correspondence, which kept Miss Cowan working late into the night.

Mr. Speaker, we often forget about the members of our civil service who are on hand and do not mind working hard and late to get a job done.

It has just been mentioned to me by one of our hon. members—I think he

should have made a little speech on air pollution himself—he has just passed along to me the fact that even the United States public health service has offered the University of Toronto a grant for the study of air pollution, which makes us appreciate to what extent they realize, in the United States, that this is a problem. It is a very good gesture for them, and in this way they are trying to assist us with our problem.

I would like to say also that wherever we visited in the United States, we received the very best co-operation from all public officials. They were anxious to do everything they could to help. We were asked questions on legislation which we have passed in this House, including the setting up of the Ontario water resources commission.

We found many of these public men, at the various levels of government, were very interested in this new type of legislation we have for dealing with the matter of obtaining proper water supplies and solving our sewage problems. It really was a pleasure to exchange information which we think will be of mutual advantage to all concerned.

MR. R. WHICHER (Bruce): Mr. Speaker, I, of course, was not a member of this committee. Firstly, I would like to congratulate the hon. chairman and all the hon. members. I believe they have done an excellent job. I might say I have studied their recommendations very thoroughly and I agree with all of them, excepting the first one—that an Ontario air pollution control commission should be established.

Under the Parliamentary system we have in our Dominion, it is necessary to establish a government and, I am sure all hon. members will also appreciate the fact that there must be an opposition to the government itself.

Particularly to the Conservative hon. members, I wish to point out in order to criticize intelligently any bit of legislation or commission by any department of the government, it is necessary that it come through a particular hon. Minister and that it be under his

jurisdiction; some department of his own particular part of that government.

With so many commissions being established in this province—there must be a couple of dozen of them now, because in the past year we have had the water resources commission set up, the hospital commission set up, and the other main one we have is the Hydro—and, I would just ask hon. members, that is Conservative hon. members, how they would like to criticize constructively a great organization like Hydro when it is almost impossible to get facts and figures at one's disposal, and where the estimates and expenditures do not come down through this House?

Therefore, inasmuch as I think there are now too many commissions, I would like to make a recommendation to the government, not that I expect it will do anything I wish, but nevertheless I put this before them.

Instead of having a commission when this legislation goes through, why not make some hon. Minister in the House responsible for it and let it be under some department, so, that the hon. Minister will be responsible to the whole assembly for the money required and will report to all hon. members, and through the hon. members to all the people of the province of Ontario.

MR. A. H. COWLING (High Park): If I could just say a word to the hon. member on that: it was the considered opinion of the committee that we set up an air pollution control commission, and I can tell the hon. member why. We felt an autonomous body away from political influence could do a much better job on such a huge problem as cleaning up our air than one individual, say, in The Department of Health, and that is no reflection on The Department of Health; they are doing a great job, but they have many divisions.

Another thing, too, and I think it is very important, Mr. Speaker, is that it is not intended that the commission should be away from any hon. Minister.

May I say this to the hon. member: it would probably be under the hon. Minister of Health.

Health is the number one problem; health is what we want to deal with. Therefore the commission would be under and report to the hon. Minister of Health, and he would report to the House on the activities of the commission.

Both government and opposition hon. members would have the opportunity, through the hon. Minister, to discuss the problems, finances and the work of the air pollution commission. It is a big job. It is too big a job for one man to handle.

It is too great a job to be put into a department along with 25 other departments. We want to give it priority and some importance, and that is why we suggested a commission. I also think commissions set up by this government in the past have done a commendable job and, I am sure the hon. member will agree with me that the water resources commission and the new hospital services commission have done worthwhile work in the past year, and if we could pattern an air pollution commission along their lines I think we would be doing a big job for our citizens.

MR. WHICHER: I know the hon. member is speaking very conscientiously, but he says these commissions are not under political influence. I am not suggesting it is not a good influence, as far as that goes, but obviously they do come under political influence.

I agree it is a big job; I am not underestimating that at all, but it certainly does not entail the expenditure which The Department of Highways entails, and one hon. Minister looks after that. I do not expect one man under the hon. Minister of Health should look after this. The government may have all the men they want, but, at the same time, I feel the money should be voted in this House, individually—that is, each part of the pro-

gramme, whatever it might be. When a problem gets into commissions and we just see one huge amount of money going through, it is almost impossible for an opposition member to constructively criticize the handling of it. Let us not have any more commissions.

MR. R. T. GISBORN (Wentworth East): Mr. Speaker, not being a member of the committee and not having had the opportunity to read the report thoroughly, I do sincerely think the hon. chairman and the committee and their secretary deserve the highest praise for a most necessary job.

However, there is some concern in my own mind about the job the committee has done. Page 55 of the proposed Act, No. 1, says:

(a) "Atmosphere" means the outdoor atmosphere and does not include the air inside factories or other buildings.

And then we go down to (f). There, Mr. Speaker, it says:

(f) "Air pollution nuisance" means the emission or escape into the atmosphere of any air contaminant or contaminants in such a manner and of such quality and quantity as to interfere with the health, comfort, repose, living conditions, welfare or safety of, or as to cause annoyance, sensory irritation or nausea to any person or persons, or as to produce injury or damage to real or personal property, or as to interfere with transportation or business; but exclude all aspects of employer-employee relationship as to health and safety hazards inside factories or other buildings.

Mr. Speaker, I do not want to appear to criticize the committee, because I feel that their reference was restricted to the atmosphere, and not inside the factories. They have done a wonderful job and have dealt with the air pollution and gases and everything involved in the problem. But all of this comes from man-made industry, it comes from the man-made smelters and refineries along

with transportation, and I am concerned with what has been done on the inside of these factories.

I feel if this report is going to be given consideration; if it is going to be acted upon, then there is a terrific job to be done by The Department of Labour and The Department of Health in respect to what is happening inside the plants. I know that since this committee has been operating, since September, 1955, a lot of industries have been cognizant of the fact, and have started to do something about the emission of smoke and gases, but they are doing it in a slipshod manner. They are not using the scientific and technological approach to get rid of these hazards which the people in the industries are suffering. I would like to bring that to the attention of the government, so The Department of Labour and The Department of Health will realize it, and get on top of it.

I know we had one situation in Hamilton in what they called the "cinder plant" in the steel company, which for years caused much nuisance to one part of Hamilton, and the smoke abatement committee and the employees were jumping at them, and they said they were going to clear it all up; they were going to build a brand new plant, down near the bay shore. This they did, and they did away with a large amount of the emissions of smoke.

But what happens to the smoke? It stays in the plant and the employees are bothered with that sort of thing.

I would just bring this to the attention of the hon. members and hope we will not lose track of the fact that all these things come from industry and the people in there are going to suffer from a slipshod manner of doing away with air pollution.

MR. SPEAKER: There being no further speakers on this subject, I declare the discussion closed.

Hon. Mr. Porter moves that Mr. Speaker do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to; House in committee of the whole; Mr. G. H. Doucett in the chair.

HON. MR. PORTER: Mr. Chairman, I beg to inform the House that the Honourable the Lieutenant-Governor, having been informed of the subject matters of the proposed resolutions, recommends them to the consideration of the House.

CLERK OF THE HOUSE: Resolution by hon. W. J. Dunlop: *Resolved that:*

there shall be payable out of the consolidated revenue fund annually the sum of \$8,000 to be awarded by the Minister of Education in accordance with the regulations as scholarships to residents of Ontario for the purpose of enabling them to pursue courses of study outside Ontario,

as provided by Bill No. 50, An Act to amend The Department of Education Act, 1954.

Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon. Mr. Dunlop: *Resolved that:*

the Minister of Education may, subject to the regulations, authorize to be paid out of any money appropriated for library purposes, grants to boards for public libraries, branch public libraries, library associations and library co-operative boards,

as provided by Bill No. 63, An Act to amend The Public Libraries Act.

Resolution concurred in.

CLERK OF THE HOUSE: Resolution by hon. A. K. Roberts: *Resolved that:*

where it appears by return to the Lieutenant-Governor or to any department of the government that in any year a registrar of deeds or an officer holding the office of registrar of deeds and local master of titles has derived from the fees, emoluments and salary,

if any, of his office, after deducting necessary disbursements, an income which is less than his fixed annual salary, there may be paid on the report of the inspector to such registrar or officer, out of the consolidated revenue fund, an amount sufficient to make up the income for the year to his fixed annual salary, if the Lieutenant-Governor in Council so directs,

as provided by Bill No. 79, An Act to amend The Registry Act.

Resolution concurred in.

JAMES RUSSELL

House in committee on Bill No. 2, "An Act respecting James Russell."

Sections 1 to 5 inclusive agreed to.

Schedule agreed to.

Bill No. 2 reported.

COUNTY OF YORK

House in committee on Bill No. 5, "An Act respecting the county of York."

Sections 1 to 3 inclusive agreed to.

Preamble agreed to.

Bill No. 5 reported.

CITY OF CHATHAM

House in committee on Bill No. 6, "An Act respecting the city of Chatham."

Sections 1 to 4 inclusive agreed to.

Preamble agreed to.

Bill No. 6 reported.

VILLAGE OF FOREST HILL

House in committee on Bill No. 8, "An Act respecting the village of Forest Hill."

Sections 1 to 4 inclusive agreed to.

Preamble agreed to.

Bill No. 8 reported.

NEW APOSTOLIC CHURCH OF NORTH AMERICA

House in committee on Bill No. 3, "An Act respecting National Organization of the New Apostolic Church of North America."

Sections 1 to 3 inclusive agreed to.

Preamble agreed to.

Bill No. 3 reported.

CARLETON COLLEGE

House in committee on Bill No. 14, "An Act respecting Carleton College."

Sections 1 to 6 inclusive agreed to.

Preamble agreed to.

Bill No. 14 reported.

McMASTER UNIVERSITY

House in committee on Bill No. 17, "An Act respecting McMaster University."

Sections 1 to 21 inclusive agreed to.

Preamble agreed to.

Bill No. 17 reported.

McMASTER DIVINITY COLLEGE

House in committee on Bill No. 18, "An Act to incorporate McMaster Divinity College."

Sections 1 to 20 inclusive agreed to.

Preamble agreed to.

Bill No. 18 reported.

THE RELIGIOUS INSTITUTIONS ACT

House in committee on Bill No. 45, "An Act to amend The Religious Institutions Act."

Sections 1 to 4 inclusive agreed to.

Bill No. 45 reported.

THE PUBLIC SCHOOLS ACT

House in committee on Bill No. 47,
"An Act to amend The Public Schools
Act."

Sections 1 to 18 inclusive agreed to.

Bill No. 47 reported.

THE SECONDARY SCHOOLS
AND BOARDS OF EDUCATION
ACT

House in committee on Bill No. 49,
"An Act to amend The Secondary
Schools and Boards of Education Act,
1954."

Sections 1 to 6 inclusive agreed to.

Bill No. 49 reported.

THE DEPARTMENT
OF EDUCATION ACT

House in committee on Bill No. 50,
"An Act to amend The Department of
Education Act, 1954."

Sections 1 to 3 inclusive agreed to.

Bill No. 50 reported.

THE PUBLIC LIBRARIES ACT

House in committee on Bill No. 63,
"An Act to amend The Public Libraries
Act."

Sections 1 to 7 inclusive agreed to.

Bill No. 63 reported.

THE PUBLIC WORKS ACT

House in committee on Bill No. 46,
"An Act to amend The Public Works
Act."

Sections 1 and 2 agreed to.

Bill No. 46 reported.

THE PUBLIC SERVICE ACT

House in committee on Bill No. 64,
"An Act to amend The Public Service
Act."

Sections 1 to 3 inclusive agreed to.

Bill No. 64 reported.

THE SANDWICH, WINDSOR AND
AMHERSTBURG RAILWAY
ACT, 1939

House in committee on Bill No. 68,
"An Act to amend The Sandwich,
Windsor and Amherstburg Railway
Act, 1939."

Sections 1 to 3 inclusive agreed to.

Bill No. 68 reported.

Hon. Mr. Porter moves that the com-
mittee do now rise and report certain
resolutions and certain bills without
amendment.

Motion agreed to.

The House resumed; Mr. Speaker in
the chair.

MR. DOUCETT: Mr. Speaker, the
committee of the whole House begs to
report it has come to certain resolutions
and passed several bills without amend-
ment and begs leave to sit again.

Report adopted.

HON. L. M. FROST (Prime
Minister): Mr. Speaker, tomorrow
afternoon, we will proceed with the
budget debate, and if there is time, any
other work which may appear on the
order paper.

MR. OLIVER: Will the gasoline tax
bill be up tomorrow?

HON. MR. PORTER: No.

Hon. Mr. Porter moves the adjourn-
ment of the House.

Motion agreed to.

The House adjourned at 5.55 of the
clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, February 26, 1957

THE QUEEN'S PRINTER
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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER
 Roderick Lewis, Q.C., Clerk

TUESDAY, FEBRUARY 26, 1957

3 O'CLOCK P.M.

Motion agreed to.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. J. A. MALONEY: Mr. Speaker, I beg leave to present the fourth report of the standing committee on private bills and move its adoption.

CLERK OF THE HOUSE: Your committee begs to report the following bills without amendment:

Bill No. 11, An Act respecting the Royal Trust Company.

Bill No. 12, An Act respecting the township of Brantford.

Bill No. 21, An Act respecting the city of Toronto.

Bill No. 26, An Act respecting the township of Etobicoke.

Bill No. 28, An Act respecting the township of Howe Island.

Bill No. 30, An Act respecting the Canadian National Exhibition Association.

Your committee begs to report the following bills with certain amendments:

Bill No. 25, An Act respecting the township of Scarborough.

Bill No. 34, An Act respecting the township of North York.

MR. SPEAKER: Motions.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

1. Eleventh annual report of The Department of Travel and Publicity of the province of Ontario for the calendar year 1956.

MR. SPEAKER: Introduction of bills.

THE CORPORATIONS TAX ACT

Hon. D. Porter moves first reading of bill intituled, "The Corporations Tax Act, 1957."

Motion agreed to; first reading of the bill.

AN ACT TO REPEAL THE INCOME TAX ACT

Hon. Mr. Porter moves first reading of bill intituled, "An Act to repeal The Income Tax Act."

Motion agreed to; first reading of the bill.

INCOME TAX RENTAL AGREEMENT

Hon. Mr. Porter moves first reading of bill intituled, "An Act to authorize an Income Tax Rental Agreement."

Motion agreed to; first reading of the bill.

He said: This Act will authorize the making of an Ontario-Canada agreement in which Ontario will rent to Canada its right to impose an income tax on the residents of Ontario, for a consideration payable by Canada to Ontario of 10 per cent. of the tax otherwise payable by those persons under The Income Tax Act of Canada for the years 1957 to 1961 on the basis of the rates applicable under that Act in 1956.

THE LOGGING TAX ACT

Hon. Mr. Porter moves first reading of bill intituled, "An Act to amend The Logging Tax Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the purpose of this bill is to extend the base upon which the tax applies and form the basis, that is the income from logging operations as defined in the Ontario-Canada Tax Rental Agreement now being negotiated and mentioned in the budget address.

MR. T. D. THOMAS: Mr. Speaker, I wonder if the hon. Provincial Treasurer could tell us the effective date of the legislation? I remember the gasoline tax was effective from midnight last Thursday and I wondered what the date of this would be.

HON. MR. PORTER: This Act goes into force on the day it receives Royal assent and is effective with respect to the taxation year 1957, and subsequent taxation years.

THE MOTOR VEHICLE FUEL TAX ACT

Hon. Mr. Porter moves first reading of bill intituled, "An Act to amend The Motor Vehicle Fuel Tax Act, 1956."

Motion agreed to; first reading of the bill.

He said: This is the Act which imposes a tax on diesel fuel and will take effect on April 1st.

MR. OLIVER: Mr. Speaker, may I ask the hon. Provincial Treasurer, is provision made for a refund to farmers the same as under The Gasoline Tax Act?

HON. MR. PORTER: For fuel?

MR. OLIVER: Yes.

MR. NIXON: Mr. Speaker, I do not think the farmers ever paid a tax to start with.

HON. MR. PORTER: No. They will be covered under this Act in some way; at any rate, I will explain that more fully later. They will always be covered for their benefit.

THE PUBLIC LANDS ACT

Hon. C. Mapledoram moves first reading of bill intituled, "An Act to amend The Public Lands Act."

Motion agreed to; first reading of the bill.

He said: Section 1: the new section 12 provides a procedure under which inaccurate descriptions of land in a township caused by errors in the original survey, or lack of a survey, of boundaries of lakes, rivers or streams may be corrected.

Section 2: the new section 16a expressly authorizes the hon. Minister to grant easements in or over public lands as defined in the Act.

Section 3: section 58 as re-enacted is complementary legislation to amendments in The Mining Act respecting the separation of surface rights and mining rights.

Sections 4, 5, 6, 7 and 8: These sections make void certain reservations, provisos and exclusions contained in letters patent which are spent or are no longer appropriate.

THE SURVEYS ACT

Hon. Mr. Mapledoram moves first reading of bill intituled, "An Act to amend The Surveys Act, 1957."

Motion agreed to; first reading of the bill.

He said: section 1 is complementary to section 2 of this bill.

In regard to section 2, the new section provides an accurate and certain method of determining the true boundaries of highway rights of way.

MR. SPEAKER: I would like to welcome to the assembly this afternoon students from Humber Valley Village Public School in Etobicoke, and from Richmond Hill High School, Richmond Hill; also a group of students from McMaster University Politics Club. They are here to view the proceedings of the Legislature.

HON. MR. FROST: I desire to table answers to questions 8, 3, 15 and 18.

MR. T. D. THOMAS (Oshawa): Before the orders of the day, I would like to direct a question to the hon. Minister of Municipal Affairs (Mr. Warrender). It is in reference to the unconditional grants. I may say that there is some confusion outside regarding how they should be applied, and I think the present time is an opportune time for the hon. Minister to make some statement in order to clarify the situation.

My question is this: Is the \$1.00 grant to assist municipalities towards the cost of the administration of justice; the \$2.00 per capita grant for welfare and social services; and the grant on the percentage of population to be granted to farm and residential taxation only? In other words, are these 3 grants now to be paid to the municipalities for the relief of farm and residential taxation only?

HON. MR. WARRENDER: The answer is yes; and the reason for so doing, as was announced by the hon. Provincial Treasurer (Mr. Porter) in relation to home owners and farmers, is that they have a heavy burden of taxation at the present time.

The way it stands at present, industry may pass on some share of the cost of taxes to another level of government. That is not true of the home owner and of the farm owner. So this idea was evolved to assist them.

One other point I might add — it was just asked of me before we went into session here — and that is how the assessor is going to know into which category a certain assessment falls. My people in the department tell me it is quite simple, that where the assessor was before assessing certain industries and commercial establishments on the business assessment roll, that falls in the one category of industry and commerce — commercial. All others, therefore, fall in the other class, which represents farm and residential.

That point should give assistance to the assessor.

MR. T. D. THOMAS: Further to that question, I must say that I must commend the government for this. I think it is a very good idea, and it is some relief, at least, in looking after the small people; in all fairness I say that it is a very good idea.

But I think, Mr. Speaker, that the government should seriously consider now changing it from "unconditional" grants, because it is conditional now; because it is a definite statement that the grants be given to farm and residential taxation. Therefore it should be "conditional." Will the government tidy that up?

HON. M. PHILLIPS (Minister of Health): Before the orders of the day I would like to make an announcement which I may say I am very happy to be able to make.

That is, that we are going to develop a treatment centre for the mentally ill

children of Ontario. The location of the project will be Thistletown which is west of Toronto.

The hon. Minister of Public Works (Mr. Griesinger) has purchased this property from the Hospital for Sick Children. The site contains 92 acres of land and a set of fine buildings that will house 149 children and about 70 staff members.

Some renovation, including decorating and the installation of water supply from the Etobicoke system will be required, and it is not likely that it will be possible to admit patients in the matter of a few months; but I feel that we can give the hon. members an assurance that we will have patients in the hospital several weeks before the end of this calendar year.

The setting up of this institution is the development of policy on the part of the government to provide for the investigation and treatment of mental illness in children. The Thistletown hospital was built as a children's hospital and was used by the Hospital for Sick Children for the care of convalescents.

I may say to hon. members, Mr. Speaker, that up until about 1937 this hospital was used for contacts—children contacts—of tuberculosis. Since that time it has been used as a convalescent hospital, but mostly for polio cases. Since we brought in the so-called Salk vaccine, or anti-polio vaccine, the patient-days have dropped down from about 100 a few years ago to 2.5 patient-days on an average this last year. That is why the Sick Children's Hospital felt there was no further need for them to have this hospital.

It will be used for the intensive treatment of psychotic children. A considerable number of these children show symptoms that closely resemble schizophrenia in adults; these children have always been a great problem. Actually, there is no place in this province especially designed to take care of these unfortunate children, and I may say there is no place in Canada, and so far as I can make out there are only two or three in the whole of the United States of America.

Some of our patients are housed with adult patients in our mental hospitals, and some are cared for in the hospital training schools at Orillia and Smiths Falls. There is an obvious need for not only treatment for the significant number of children suffering from acute mental illness, but also for research into this field.

We have every reason to believe that we will have the same silver lining for our mentally ill children as we have today for our adult mentally ill; and I am speaking here of acutely mentally ill.

While it is anticipated that the research programme which will be developed will include research in mental deficiency as well as in mental illness, it must be understood that this institution is not designed for the care of mentally defective or mentally retarded children. Since investigation and treatment programmes will be intensive and of relatively short term, there will be no provision made for continued care of long-stay patients.

I want to make this very clear here, that as long as the children require active treatment they will be kept there.

This centre for the treatment of mentally ill children is the first of its kind in Canada, and I would like to say that it is unique on this North American continent—in fact, throughout the British Empire.

MR. D. C. MacDONALD (York South): Mr. Speaker, would the hon. Minister please answer one question?

May I say that we in the opposition—well, let me speak personally—that I think this is to be welcomed, and very enthusiastically. It is the kind of development that is going to do a pioneering job. It is a rare privilege for me to see that the government is moving rightly and in the right direction.

HON. MR. DUNBAR: I knew the hon. member would come around.

MR. MacDONALD: My question is this: The hon. Minister used the word "investigation." Could one interpret that

correctly as meaning that it is going to be a research centre as well as a treatment centre?

HON. MR. PHILLIPS: That is correct; investigation, diagnosis, treatment.

MR. DYMOND: Will admission to this hospital be on a committal basis, as in the case of a mentally ill adult; or will it be on a basis of admission to a mental hospital?

HON. MR. PHILLIPS: I am sorry to say it is impossible to answer the hon. member's question at the moment because our policy is not yet developed.

THIRD READINGS

The following bills were, upon motions, read a third time:

Bill No. 2, An Act respecting James Russell.

Bill No. 3, An Act respecting the National Organization of the New Apostolic Church of North America.

Bill No. 5, An Act respecting the county of York.

Bill No. 6, An Act respecting the city of Chatham.

Bill No. 14, An Act respecting Carleton College.

Bill No. 17, An Act respecting McMaster University.

Bill No. 18, An Act to incorporate McMaster Divinity College.

Bill No. 45, An Act to amend The Religious Institutions Act.

Bill No. 46, An Act to amend The Public Works Act.

Bill No. 47, An Act to amend The Public Schools Act.

Bill No. 49, An Act to amend The Secondary Schools and Boards of Education Act, 1954.

Bill No. 50, An Act to amend The Department of Education Act, 1954.

Bill No. 63, An Act to amend The Public Libraries Act.

Bill No. 64, An Act to amend The Public Service Act.

Bill No. 68, An Act to amend The Sandwich, Windsor and Amherstburg Railway Act, 1939.

MR. SPEAKER: Resolved that the bills do now pass and be intituled as in the motions.

HON. L. M. FROST (Prime Minister): Mr. Speaker, it appears that with regard to Bill No. 8, An Act respecting the village of Forest Hill, there might have to be the reconsideration of one of the sentences in this bill, and for that purpose I should like to move that this order be discharged and the bill be referred back to a committee of the whole House.

Motion agreed to.

COMMUNITY CHEST OF GREATER TORONTO

Mr. T. Graham moves second reading of Bill No. 15, "An Act respecting Community Chest of Greater Toronto."

Motion agreed to; second reading of the bill.

O'KEEFE CENTRE

Mr. A. Cowling moves second reading of Bill No. 20, "An Act respecting O'Keefe Centre."

Motion agreed to; second reading of the bill.

TOWN OF PEMBROKE

Mr. T. Pryde, in the absence of Mr. Hunt, moves second reading of Bill No. 22, "An Act respecting the town of Pembroke."

Motion agreed to; second reading of the bill.

CITY OF PETERBOROUGH

Mr. T. Graham moves second reading of Bill No. 24, "An Act respecting the city of Peterborough."

Motion agreed to; second reading of the bill.

CITY OF OTTAWA

Mr. D. Morrow moves second reading of Bill No. 1, "An Act respecting the city of Ottawa."

Motion agreed to; second reading of the bill.

ONTARIO PROFESSIONAL FORESTERS ASSOCIATION

Mr. G. C. Wardrope moves second reading of Bill No. 10, "An Act to incorporate the Ontario Professional Foresters Association."

Motion agreed to; second reading of the bill.

TOWN OF BARRIE

Mr. G. Johnston (Simcoe Centre) moves second reading of Bill No. 13, "An Act respecting the town of Barrie."

Motion agreed to; second reading of the bill.

The House, upon order, resolved itself into committee of supply.

THE BUDGET

MR. J. J. WINTERMEYER (Waterloo North): Mr. Speaker, this is the second time that I have had the honour to appear as the budget critic. I assure you that I appreciate it and want to take this opportunity of thanking those of my hon. colleagues who have again expressed their trust in me to undertake this very important job.

It is a difficult one: I often think it is like trying to digest a dictionary over a week end, but it is, likewise, a very challenging one, and for that I am indeed grateful to all of my hon. colleagues and to this House for the graciousness shown to me.

Mr. Speaker, you will permit me to refer to the hon. Provincial Treasurer (Mr. Porter). I think he is a fine gentleman and last Thursday presented his budget in a very commendable fashion.

Hon. members recognize that a budget is a political instrument, it is not merely a balance sheet; it is something which is required for certain purposes of a political nature, and the hon. Provincial Treasurer did a commendable job in directing the political implications of the difficult parts of that budget in a very worthwhile manner.

For that I commend him, and through him I would like to commend all the people of the province of Ontario on the extraordinary revenues which they have produced during this past fiscal year.

Mr. Speaker, I understand that the hon. Provincial Treasurer is interested in Shakespeare and will know that in Shakespeare's *Caesar*, Mark Anthony was wont to say, "We have come to bury the great Caesar, not to praise him." You will permit me to tell you my job today is to attack this budget and not to praise it, and I would like to get on with that job.

Mr. Speaker, last year at the outset of my budget criticism, I had occasion to read a great number of figures or, at least, make reference to a great deal of factual and statistical information. It occurred to me that I was being unfair to hon. members of this House to the extent that it is difficult to follow figures without a chart in front of one, and, therefore, I have prepared a memorandum of some of the statistical information I am going to use this afternoon, and with your permission I would like to refer directly to that memorandum.

In particular, Mr. Speaker, and at the outset, I would like to refer to the first page thereof. On that particular page, I have done nothing more than compare our ordinary revenue, our ordinary budget and net interim ordinary revenue for this past year.

In other words, all we are concerned about in that particular analysis is a comparison of what we decided, a year ago, we would raise in ordinary revenue and what, in fact, we raised during this past year.

Hon. members will note, readily, that a year ago we were told that our revenue would be \$420 million. We are now told it will be \$461 million. That is an increase of \$41 million, approximately 10 per cent.

The only point I want to make in this particular respect is that this has been the tendency which has dominated in the last 10 years and is continuing. We are substantially underestimating our revenue and are continuing to do so.

I might say, Mr. Speaker, to emphasize my point, it is not only the \$41 million which is acknowledged now to be underestimated; remember this, this is an interim statement, the actual books have not been closed and will not be closed until March 31st.

When they are closed on March 31st, if the experience of the past prevails again this year, and there is no reason to think it will not, then that \$41 million will be increased by approximately \$15 million, and the net result of our operations will be that we have underestimated our revenue by \$55 million.

As I pointed out last year, this is a very serious affair. It means that we are spending \$55 million in the form of supplementary approvals on supplementary estimates. In other words, coming into the year, we are asked to vote on an additional \$55 million that we had no idea would be available at the beginning of the year.

As I said last year, if we had that opportunity, and knew there would be

that amount of money, maybe we would have some suggestions to offer. Maybe those of us in the back benches would have some constructive ideas for the government as to where it might spend this additional money.

Instead of that, the government comes to us, at the last and eleventh hour, telling us we underestimated our revenue by \$41 million, and now it is suggested that the government slice off a good part of that by an allotment to the highway reserve fund, and then they tell us nothing more. We go home after the beginning of April and learn an additional \$15 million has been acquired while we were away, or in session, and that money, necessarily, cannot be voted upon and, therefore must go to our sinking fund.

Granted, that is a good place for it, but, surely to goodness, we should have something to say in the determination as to whether or not we want it in the sinking fund. I suggest to hon. members we have no way of knowing if that policy by the government is to be continued—that policy whereby the revenue is deliberately underestimated.

Mr. Speaker, I would like to refer to the second page. In that particular statement, I have tried to draw a comparison of the budget in net interim ordinary expenditures for this past year. In that respect, hon. members will note, immediately, our net expenditures are up by almost exactly the amount of our net revenue; that is \$41 million.

There is one significant thing I would draw to your attention, Mr. Speaker, and that is the fact our highway expenditures are \$37 million more than we anticipated. That is a serious matter. Where did the \$37 million go? I presume it was covered in the highway reserve fund, but we do not know, and I suggest to you that the statement as it appears before us is a definite suggestion that we have over-spent our ordinary allotment for highways by \$37 million.

In that way, we have eaten up the additional revenue which was created during this past fiscal year. Again, I say, is that what we want? Is that the way

we want this additional revenue spent?

I would like to pass on to the third of this series of factual mimeographed information. On page 3, the only thing I want to draw to the attention of hon. members — and before I draw the particular essence to their attention, I would simply say that it is a statement which demonstrates the comparison between our actual and our budget under ordinary revenues and expenditures over the past 10 years.

In that period of time, hon. members will note that our actual ordinary expenditures are \$3.2 billion; during the same period we budgeted \$2.7 billion. We underestimated our revenue during the 10-year period by \$421 million.

And that is not the worst of it, because, actually, the \$41 million I have shown in 1956 and 1957 is an interim figure and, in all probability, will be increased by about \$15 million. I think, therefore, it can be fairly said, in that 10-year period, we have underestimated our revenue by \$435 million. That is a sum which is almost equivalent to one year's budget, and, I suggest that it demonstrates in a very graphic and dramatic fashion the point I am trying to make: that over a 10-year period we have underestimated our normal revenue by a fantastic amount.

We say, and it is said constantly here, the federal government has a terrific surplus. I suggest to hon. members if they ever underestimated their revenue in the manner we are underestimating our revenue in this province, the increase would be phenomenal. It would be nothing like the \$500 million that we talk about.

Actually, we underestimate at the rate of 12 per cent. per year. Surely to goodness, we should have a more accurate idea than is demonstrated in our factual information about how much our revenue will amount to each year.

I suggest to you, Mr. Speaker, we do have. The hon. Provincial Treasurer has a competent staff and they know very well from the past years they will have an increase of 10 per cent. each year.

There is no reason in the world why they cannot lay plans accordingly.

If the government has that information and would come to us and give us a more accurate conception of the amount it is about to raise, then we, in turn, would be in a better position to advise and suggest how it should spend that money. That is the point I want to make in this particular comparison.

Mr. Speaker, may I be permitted to turn to the fourth page of the same statistical presentation? I must apologize, I know it is not wholly of interest, but I will not be much longer with this part of the criticism.

On page 4, I have tried to demonstrate, as well as I can, what we are doing about providing sinking fund instalments for debt retirement. Hon. members will note I have compared our interest, expenses, our sinking fund instalments, and our total debt charges over a 10-year period.

Note some of the figures. Our total debt charges over the past 10 years are \$447 million. Approximately, one-half of that sum has been taken up by interest—\$260 million. Another thing I would suggest hon. members refer to, is the fact there is a substantial increase in sinking fund instalments each year over and above the budget allotment.

Let me stop and make a brief explanation of this situation.

Each year, out of ordinary revenue, during the past several years, we have allotted approximately \$17 million to be applied against the sinking fund. In fact, each year we have applied, or credited, to that fund some substantial additional amount. Last year it was \$15 million. In all, over the past 10 years, it was \$114 million. That \$114 million is the difference between our net interim revenue each year and the actual revenue figures supplied to us at budget time.

Let me be more specific. When the hon. Provincial Treasurer says, "I have raised so many dollars for the fiscal year ending the 31st of March of the year 1957," he is, in fact, telling us that his figure represents a definite completed

computation for 10 months and an estimate for the other two months.

He has underestimated his revenue for that two-month period, over the past 10 years, in the total amount of \$114 million. Last year, he was out \$14 million in the two-month period. All hon. members have to do to get some idea of the terrific underestimate is to multiply 14 by 6, and the answer is 84. At that rate, the hon. Provincial Treasurer would have been out \$84 million in the course of the entire year.

I suggest to you, Mr. Speaker, that the hon. Treasurer knows full well that the underestimate will be of a substantial amount. I am not talking about the whole year, but only about the latter two months. In this particular instance, it is, actually, three months, but the principle applies.

Certainly, we should be told that the actual computation will demonstrate revenues in excess of what is suggested to us at budget time in the nature of \$15 million. Again, we might have some suggestions to make.

In this instance, there is no vote, we know nothing about the money except that it is applied directly against the sinking fund at the completion of the year.

As I said, we will not criticize the fact that it is applied to the sinking fund; this is desirable and a good thing, but the fact is we should be told in advance there will be an excess amount of money which will be applied in that fashion, and we then could exercise our discretion as to whether or not it is desirable, necessary or advantageous to do so.

I suggest that this is demonstrative of what we have been preaching for the last year, the fact that there is no planned debt reduction policy on the part of the government. We are constantly going into debt, and the debt this past year has increased by \$81 million.

What plan have we? The only plan we have is to take out of ordinary revenue \$17 million a year and hope to goodness there will be something left at

the end of the year to be applied to the sinking fund. Hit and miss, that is all it is.

I suggest it is time we seriously thought of this matter of debt. It is time we had some constructive, determined procedure for reducing the debt. We do nothing more than apply the debt reduction of whatever happens to be left in the "kitty" after we have gone home, of any undetermined amount, and that is not good enough for Ontario during a time when it is going into debt by leaps and bounds each year.

Mr. Speaker, if I may be permitted, I will go on to page 5 of the same schedule, and on that particular page I will not take much time. The information is obvious. It is nothing more than a comparison of our actual and our budgetary revenue from our 3 principal sources of revenue—these are gasoline, liquor and succession duties.

You will note, for instance, that we underestimated our gasoline income by \$11 million last year; underestimated our Liquor Board profits by \$12 million, and underestimated our succession duties by \$5 million. Lest perchance somebody suggest to me that if I refer to 1955-1956, I should refer to 1956-1957 and advise hon. members that in 1956-1957, we had underestimated gasoline tax by \$7 million, let me remind that person he is forgetting this interim proceeding last year which was \$5.5 million.

In other words, in the two-month period that I have been complaining about, our underestimated revenue from gasoline tax went from \$5 million to \$11 million, and there is no reason in the world why the \$7 million will not increase to \$11 million or \$12 million this year.

The same fact applies to liquor and succession duties. Last year the \$12 million figure was \$10 million at that time, and the \$7 million was \$5 million. Therefore, the increase of \$7 million for gasoline, \$9 million for liquor and \$4 million for succession duties are not fair comparisons with the year 1956. All I intended by virtue of this statement was

to demonstrate where in principle we are underestimating revenue.

I would like to turn to page 6 which is headed: "Summary of Operations." If ever there was a political instrument, this is it. If I can do nothing more this afternoon than demonstrate the purposes, reason and significance of this statement, I will have accomplished a lot.

Hon. members will recall that in years gone by, what we have basically done was to compare our ordinary revenue with our ordinary expenditure and if the difference was favourable, we called it a surplus. From that surplus, we deducted highway reserve funds and sinking funds, and ended up with what we termed a net surplus.

Many of us now complain that the net surplus was not a realistic figure, that, in fact, it was gobbled up by allotments to the highway reserve fund.

Then, the hon. member for Riverdale (Mr. Macaulay) made a further objection, and said in fact that we were not making money at all if we took our total capital revenues and total capital expenditures and added them to our ordinary revenues and expenditures; we are ending up in the red.

I suppose the hon. member made some impact on the government, for we now have a statement which is an attempt to combine his suggestion with the old; we now have a statement which in all effect does show from where we receive our funds and how we disburse them.

Hon. members will note one figure on that statement and that is the interim surplus at the end, \$390,000. One would think at first blush that we are taking the suggestion of the hon. member for Riverdale and that, after all our expenses, we are ending up on the right side of the ledger. Mr. Speaker, the fact is, of course, that we are not, but is that in our capital expenditures—

HON. MR. PORTER: It is very clearly shown.

MR. WINTERMEYER: That part is very clearly shown.

HON. MR. PORTER: A simple and accurate statement.

MR. WINTERMEYER: Certainly it is accurate, but will the hon. Treasurer undertake to tell hon. members of this House whether or not the appropriation of payment to the capital fund will be a constant figure year by year, or will it be a variable one?

HON. MR. PORTER: Well, I cannot undertake anything for next year.

MR. WINTERMEYER: Exactly. In that we have the essence of the problem.

HON. MR. PORTER: Nor can anybody else.

MR. WINTERMEYER: That may be, but the hon. Treasurer is suggesting here that he is going to take care of 34 per cent. this year and I suppose by virtue of what he said, by 1958 he will take care of 64 per cent. and next year 84 per cent., but what assurance have we that we are following any planned course?

I suggest to you, Mr. Speaker, that the figure is a pre-determined figure and the matter is worked backwards.

HON. MR. PORTER: Oh, no.

MR. WINTERMEYER: It certainly is. In this particular year, 1956-1957, of course it is accurate. It must of necessity be because it represents nothing more than the disposition of the treasury funds.

HON. MR. PORTER: There is a similar statement, but I cannot tell the hon. member what is going to happen from year to year after that.

MR. WINTERMEYER: What is the significance of this presentation?

HON. MR. PORTER: It is entirely for the hon. member's benefit, for his assistance, so he will see exactly where we stand.

MR. WINTERMEYER: If it be for my edification—

HON. MR. PORTER: There is nothing political about it at all, it is a true and accurate statement, and gives everything right on one page.

MR. WINTERMEYER: To that extent, of course it is a commendable statement, but the fact is that any ordinary person looking at that statement would presume we have a surplus at the end of operations, and the fact is we do not have that on our ordinary or on our capital account. To that extent I make my criticism, and make it in this respect.

If one were to examine the statement carefully, he could see the method of assimilation. The interim surplus is a pre-determined figure, and working backward we ascertain how much is left that could be applied against capital and it is that with which I quarrel.

I am not suggesting we are misleading the public, but I am suggesting that the average person, who does not have the opportunity which the hon. Provincial Treasurer has to study these things, will get the wrong impression from a casual reading of this statement.

I suggest that the hon. Provincial Treasurer has in mind very much the suggestion that he intends to create in the public mind the impression that there is in fact a surplus at the end of every year.

HON. MR. PORTER: There is a surplus in ordinary account.

MR. WINTERMEYER: Yes, but why does the hon. Provincial Treasurer say that again this year? He has changed his method of presentation. I suggest he has changed it because of the criticisms which have been made; now he has combined capital and ordinary and ends up with a surplus. Obviously he cannot end up with a surplus when the complete payment is considered.

Let me continue to page 7 of this particular schedule, where we can revert to

this same problem we have been debating, when we come to the schedule in 1958. On page 7, there are very few comments I want to make. It is very factual. It is taken directly from the budget, and the only thing I would point out is that, as of the present time, our gross debt is \$1.2 billion. The amount of our net debt is \$786 million, and the difference between the gross and the net is made up by and large of our Hydro financing.

We went into that last year, and of the \$419 million, approximately \$300 million is money we have borrowed on behalf of Hydro, and which will be repaid to us and therefore, technically speaking, we are not going to be afraid to pay it; we can reduce it from gross debt.

There is one figure to which I would like to refer: note the \$17 million towards the bottom of the page, this transfer of corporation tax refers to surplus.

There is nothing wrong with crediting that to the debt reduction, but remember that this will be the last year that such a credit can be made. We are now out of the tax rental agreement with respect to corporation taxes, and except for the fortuitous fact that the agreement comes to an end, we would not have \$17 million to credit. That \$17 million, if it were not there, would increase our net debt from \$81 million to about \$98 million.

I am not criticizing this method, but I am pointing out that it is a fortuitous thing that we have the \$17 million, and it just happens to be this particular year.

HON. MR. PORTER: What do you want us to do with it?

MR. WINTERMEYER: Mr. Speaker, I do not suggest anything else be done, I just say it is fortuitous that in the "kitty" the province gets \$17 million it does not earn.

HON. MR. PORTER: It is not fortuitous. It is money in the bank.

MR. WINTERMEYER: No, it is money which was built up as a result of provincial negotiations with the federal government, and is to the province's benefit.

I would refer to the eighth sheet of this schedule, and the comment I would make at this time is simply the fact that we are now starting our observation, our analysis of the year 1958. What I have said thus far is in respect of the fiscal year 1956-1957, ending on March 31st.

Here there are just one or two things I would point out:

On the first schedule, I have drawn a comparison between our budgetary and our factual expenditures, that is, the actual amount of money that we expended in 1956-1957, and the amount of money that we propose to spend from ordinary account in 1957-1958.

Hon. members will notice there is a difference of \$65 million. In other words in this coming year the government will spend an additional \$65 million, and of that amount education will receive an allotment of \$31 million, which is a very commendable thing.

We are going to spend \$31 million less on highways—I thought I would get some response to that—in fairness, we are not going to spend \$31 million less. That is the way it is presented, but that again is this fantastic highway reserve fund which is added to and taken from, and in the net result we do not know where it is.

But, on the face of things, we are going to spend \$31 million less on highways this coming year than we did last year, at least that is what the budget says.

MR. MacDONALD: "Hugger-mugger."

MR. WINTERMEYER: Mr. Speaker, we now come to page 9, the summary of operations for 1958. This, again I suggest, is the quintessence of the whole budget. If we digest this, we

will understand fully the direction of our affairs.

I know I will be told that the whole story is here and certainly it is if one has the advice of professional accountants behind him to interpret the statement, but anyone on reading the statement would conclude that we were going to make \$556 million.

We are not going to make \$556 million. We are going to lose in our operations this year the difference between \$228 million and \$151 million, or \$77 million. Our debt is going to be increased in this current fiscal year by \$77 million, if the whole story were told.

Why is it not put down in simple and direct fashion to show the net debt increased by \$77 million? It is not done that way and there must be a reason for it, and that is why I call it a political document.

HON. MR. PORTER: It is right there.

MR. WINTERMEYER: But one has to make the computation. I know what the hon. Provincial Treasurer is thinking, but the fact of the matter is, I would wager my last dollar that this statement could be presented to the public at large, and not one per cent. of the people would conclude that we had lost money on the operations for 1957-1958.

HON. MR. NICKLE: The hon. member would lose his dollar.

MR. WINTERMEYER: This is my real worry, however, and let us get to the essence of this problem; note in 1956-1957, the appropriation of the Ontario payments paid from the fund provided was 34 per cent., in the coming year it is 64 per cent. Surely nobody will argue that it is in fact a good thing, more and more money being paid towards capital expenditures. But of what significance is it unless we have a policy with respect to capital payments?

The hon. Provincial Treasurer told me a few minutes ago that he cannot tell us. Well, I suggest there is no purpose in it unless he can analyze it by an attempt to pay a certain portion of our capital expenses each year. If I can be shown that the hon. Treasurer is going to continue to spend \$64 million or 5 per cent., then this statement will mean something to me. I will be glad to agree with it but I know the hon. Treasurer cannot show me, and I know what he has in mind.

HON. MR. PORTER: This debate is on the present budget, not on the next one to come.

MR. WINTERMEYER: I know, but the hon. Provincial Treasurer knows that two or three years from now he will want more money for education or some other purpose which may have some real significance at the time, and I never suggested it might have a political purpose at that time.

HON. MR. PORTER: It never has and never will.

MR. WINTERMEYER: But I will wager again that before the next election this figure will be amended so that more money will be available and provided for our ordinary expenditures in the form of, it may be, old age pensions. It may be towards the end of the current year; money will be made available in some charming fashion, and the charm will simply occur by reducing the portion of capital expenditure to a lesser percentage than what is suggested; and by that magnetism money will be provided so that my hon. friend will be able to tell his constituents that this government is interested in the old age pension question.

That is my basic criticism of that particular statement, and I cannot emphasize it too much.

I am afraid that in addition to the highway reserve fund we have an additional device, not to deliberately mislead people, but to cause them some

considerable confusion in the interpretation of our real affairs.

We are getting towards the end of this account. May I refer to the tenth page. It may be that I should spend very little time on this particular page. The information that is presented is my own compilation of what are the differences between ordinary revenue and expenditure each year; the difference between ordinary and capital expense each year; and the gross deficit and reduction for sinking fund and the like.

Let me take as an instance the year ending in 1956. That is the only actual figure we have, because necessarily the end of 1957 includes 3 months' interim and 1958 is entirely speculative — well, not speculative, but it is a matter of prognostication.

In 1956 we made money, and the revenue exceeded ordinary expenditure by \$2 million. But our capital expenditure was \$82 million, as a result of which we had a gross debt, according to the compilation of the hon. member for Riverdale, of \$77.8 million.

In that year we allotted \$33 million to sinking fund and ended up with expenditures covering it of \$44.5 million.

Hon. members can put in the same schedule in the subsequent years. Note that, as I said before, in this current year — 1957 — we will have a deficit of approximately \$98 million with the additional bill for the \$17 million we transferred from the corporation tax fund; that according to current estimates — and I think I am correct in this in its entirety — in this year of 1957 we will go into debt in the amount of \$78 million.

I should just stop momentarily to comment on the matter of debt. One no longer knows what to say. We have had statements that some planned attack should be made on the debt. I do not think there is anything — I do not see anything — in the suggestions of the current budget other than the old system of applying \$17 million towards sinking fund and hoping that there will be

something in income at the expiration of the fiscal year which can be added to assist in reducing our debt.

HON. MR. PORTER: What does the hon. member suggest — that there should be some additional taxes?

MR. WINTERMEYER: Just a minute. There is a suggestion I am going to make by which I think the hon. Treasurer will have substantially more revenue than even he expected.

HON. MR. PORTER: We want to hear it.

MR. WINTERMEYER: I am going to suggest, if the hon. Treasurer will agree with me, that he could transfer the highway reserve fund and put it where it should be — under "surplus", and if he will credit his sinking fund instalment this year he can reduce this figure of \$78 or \$81 million to approximately nil, and accomplish for the first time in the history of this government an actual net profit on operations after capital and ordinary expenditures.

If the hon. Treasurer wants me to suggest that at this particular stage, although I had hoped to leave it until later, I would be delighted to do so, because if I can effect this contribution to the debate I will have done far more than I ever expected.

Mr. Speaker, there is one point which I would like to make in conjunction with this matter of debt. As I say, we have had hon. members rise, and everything that can be said has been said, and what else can we say except that there is no plan, no new programme that would reduce the debt, and there is nothing that is being done in this budget.

But I think I should comment, in fairness, on the remarks of the hon. Provincial Treasurer during the budget debate when he suggested that in some mysterious fashion, relating 1957 dollars to 1939 dollars, we will reduce our debt. Lest, perchance, some innocent person might take him seriously, may I say I do not think he was serious about that

particular suggestion, they may be his words, but I do not believe that they were his ideas, that this would be, in effect, reducing, because if one takes the current value of a dollar and relates it to the 1939 dollar and then reduces the debt by the increase in the dollar, he will, in effect, have reduced our debt. Surely the hon. Provincial Treasurer is not going to suggest that seriously to the House.

HON. MR. PORTER: It is the effect of it.

MR. WINTERMEYER: It is like mixing chalk and cheese. One cannot pay a debt with 1939 dollars. It must be paid with 1957 dollars. The hon. Treasurer knows it, and I know it. Some of these publicists—ghost writers—whatever they are called, must have suggested this, because I am sure that the hon. Treasurer, in his mature judgment, could not believe that.

It is too bad our debt is increasing, but surely we do not want to create the impression in the minds of the people of Ontario that it is not increasing simply because, if we relate it back to the 1939 dollar, the debt is less than what it is at the present time.

I should like to move on to the twelfth page of the summary. On this particular page I have done nothing more than to copy a page of the actual budget presentation except for the comment at the bottom, and hon. members will notice that I have made my comments under the heading "critic's adjustments."

This page is demonstrative of where our additional revenue is coming from, and in the first half of the page the new taxes are set forth; in the middle portion and in the lower portion of the page there is shown the additional revenue from some of the old sources.

There is another thing I want to comment on, if I may, and that is the \$11 million that has been deducted from the \$50 million to get the \$39 million under the heading of duties — that has been used to get the \$39 million figure which appears.

I suggest that the \$11 million cannot, in fairness, be deducted from the \$50 million. As I understand it the \$11 million is the amount of money that would have accrued to the province of Ontario if the province and the Dominion had continued the fiscal arrangement and agreement that was in force from 1951 to 1956.

Let me explain briefly. Under the old agreement there was an escalator clause and we did receive some additional payment depending on the variation in the population. Under the new agreement there is no such payment, and we receive a direct rebate.

What is suggested by this \$11 million is this, that if we had continued on the old agreement we would receive an additional \$11 million this coming year; but, in fact, the old agreement is cancelled—it is out of the window; we are no longer operating under that agreement.

So, in determining the increases, credit has been given for the increases which the new agreement will produce; and in the determination of how much the increase will be, what the escalator produced in 1956 was taken into consideration. Therefore, I suggest that it is unfair to include that \$11 million as a reduction.

The hon. Provincial Treasurer shakes his head. If that be so, or not be so, Mr. Speaker, I would suggest he give an explanation, because, very frankly, in this respect I cannot understand why the \$11 million should be deducted.

HON. MR. PORTER: Mr. Speaker, this statement was for the purpose of showing the additional revenue over the revenue sources of the current year that we will receive as a result of the new agreement with the federal government and the new taxes that we intend to impose. One of the items that we had the benefit of in the current year was this \$11 million. But unless we deduct that, because that is no longer going to be a benefit, how can we come to the true increase over the revenue sources that we have at the present time?

MR. WINTERMEYER: Perhaps I can make my point this way: I think the hon. Provincial Treasurer would agree with me that this year—that is the current year, 1957—the current fiscal year 1957-1958—will produce \$59 million as a result of taxes that are set forth above; that is the 2 per cent. corporation tax, the 2-cent-per-gallon gasoline tax, and so on.

In addition there will be \$50 million made available from the federal government insurance plan tax and the improvements on the mining tax. I do not think there is any question about that.

These two sums will, in fact, total \$109 million. That is the amount that the hon. Treasurer is going to have available; but, after all, we may have other sources that will not come in. That money will be there.

If the old agreement had been continued in addition then we would receive an additional \$11 million. The treasury is going to receive \$109 million—not \$98 million. I do not think there is any question about that.

HON. MR. PORTER: But it is to show the increase; it shows the total amount we are going to receive, but it has also to show the net increase. We are losing \$11 million under the present proposals of the federal government, represented by that item; so that if we gain from the federal government the \$6.5 million on income tax and those other items, then we have to deduct from that the amount that we lose.

MR. WINTERMEYER: May I simply ask the hon. Treasurer—I do not want to bore the House on this, but I am rather interested in it—when he determines this \$6.5 million and when he determines the \$31.5 million, does he not consider that to be a loss over what he received last year?

HON. MR. PORTER: No, that is just the increase in those corporation and income tax rates, but it does not take into account the escalator.

MR. WINTERMEYER: But it represents an increase under the federal government payment—the province's total increase.

HON. MR. PORTER: It has no bearing on that portion of the revenue.

MR. WINTERMEYER: Mr. Speaker, this may be becoming academic, and I do not want that to happen, but I do not want to leave the impression with this House that I am seeing this point, because I frankly think, and suggest that, the increase in taxes as a result of these various impositions will not be \$98 million but, in fact, will be \$98 million plus \$11 million, or \$109 million.

HON. MR. PORTER: Well, I hope that is true.

MR. WINTERMEYER: But I think it is obvious. It is not only a thought. I think it is a fact—a book-keeping, mathematical fact.

Going into the realm of hope and expectancy, I say that if our revenue is underestimated—and it has been underestimated in the past, and there is not one of us who would want it to continue to be—and it is underestimated by 10 per cent., we cannot expect 10 per cent. over and above what our estimated revenue has been, and our estimated revenue is \$574 million. I do not think it is unfair to the government in any respect to say to them that they can anticipate the \$98 million, the \$11 million I have spoken about and an additional \$74 million. If that becomes available, then over and above the revenues that have been set forth in this budget, we have \$68 million.

I say to the government we are now in the position I have complained about in each of my budget criticisms. This is the sum about which we, as legal and elected representatives, should have something to say, as to the disposition of that money. I say the \$68 million is more than the 2 per cent. additional corporation tax, the 2-cent gasoline tax, and all other additional taxes that are being levied this year.

I ask the question: if this be the budget, and if the government requires only \$98 million to underwrite and launch its programme, then I say we should seriously think and determine whether or not the additional levy to produce the \$68 million is necessary this year.

I realize, and I am not going to be foolish enough to stand before this House and say that, although we are going on with a large capital and ordinary revenue expenditure, increasing highways and the like, no tax levy is necessary. But I am seriously going to take the stand that in the fiscal year 1957-1958 the government has failed to demonstrate there is any need for additional tax levy. I think I have demonstrated where the government has underestimated its total revenue by approximately \$68 million, which is about \$9 million more than the total revenue it proposes to receive from the several sources of the new tax levy.

That, Mr. Speaker, is the first and maybe the most important fact that I want to establish in this budget criticism.

If we may leave the mimeographed sheets for the moment and come to some of the departments of government, I would like firstly to refer to our highways programme.

I mentioned just a moment ago that I am not going to be foolish enough to tell hon. members that we should never need any additional revenue, nor any additional tax levy. Certainly we do. The question is, do we need it in this current year, and, even if we do, have we used the most equitable form of tax levy that could be devised? One of the forms has been gasoline tax, and I would ask that hon. members consider and try to determine whether or not it is an equitable tax.

The first comment I would make in respect of the 2-cent increase in gasoline tax is in the fact that a few days ago, I understand, the select committee in its report suggested that there should be an increase in gasoline tax only when and if more highways are to be built,

and when and if a definite formula for the construction of highways is set before this House.

In disregard of that suggestion, we have the suggestion in the budget of this government that we impose immediately an additional 2-cent levy on gasoline.

I am not saying it never should be imposed. I think in some respects gasoline must help to pay the cost of highways—obviously—and I am one who believes in relating the cost to service, and in that respect it is good. But for goodness sake, before we pass this legislation, we should know how and where these highways are going to be built.

The hon. Leader of the Opposition (Mr. Oliver) said at the outset of this session that we have before us no construction plans for highways, and I say we have no financial plan to underwrite the payment of highways. Certainly highways are good, and have to be paid for, and people are not going to object to paying if they get the highways.

In western Ontario we would be glad to pay 2 cents additional tax if we got highway No. 401 out of the Toronto area and coming in our direction. But, when is The Department of Highways going to do it, and when are we to be told how this government will do it? When we are told this in express language, we will be glad to pay the additional levy.

I think we, as opposition hon. members, should rise and advise the government that the public at large is incensed about the fact that they are being taxed for something for which they can see no direct benefit.

In my district I am confident we have paid out more than our share in gasoline tax, and yet we have not had a new road for years, to the best of my knowledge. We have been promised a new highway in No. 401, and I suppose we will get it some day, but the question is when, and we do not intend to pay an additional tax levy with no

understanding of when that highway will go through.

Our highways programme is probably the most important one that we can undertake. It will serve two distinct purposes: it will help to solve our transportation problem, but over and above that it will help to demonstrate and assist in the decentralization of industry and population.

We should certainly have a plan whereby we devise in advance where the centres of population and industry will be 20 years from now. It is one thing to have a plan and another thing to follow the economic developments of the times. Certainly the government has to get out and lead in this direction and not to follow.

The hon. member for York-Humber (Mr. Lewis) said that this government can continue to build roads around Toronto, and the more they build the more are needed, and he is absolutely right. The fact is, the more roads that are built and the better transportation there is, the more industry and population will follow.

In western Ontario generally, and eastern Ontario, and in the north, we have the right also to demand industry and to say that some day our population will be increased, and it is only going to be done by wise highway planning, and will be effected only if and when we have a super plan and when we can criticize and suggest, which is something we do not have at the present time.

Therefore, I say that the hon. Minister of Planning and Development (Mr. Nickle) should rise and inform us what he intends to do: where he intends to put industry in the next few years; where he intends the population to be.

I heard it said the other day that it is feasible and possible that in the years to come people will be living in the Hudson Bay and James Bay areas — a wonderful suggestion. It is possible, some day, that this can be effectively brought about, and I certainly hope so, and, for northern Ontario, I hope all the development they expect comes about as soon as possible.

On the other hand, we in southern Ontario feel we have been treated unfairly in respect to highway development. There should be a system which would permit highway transportation, commercial transportation in any part of that area bounded by Goderich to Cornwall and south of the line, yet which would not materially affect the cost of transportation.

I am getting my words before my ideas, but it is a fact that normally, industry will move according to transportation. If transportation facilities are good, industry follows. If we develop our transportation facilities in the area I have spoken of, I am sure we can direct industrialization to the same area and bring about decentralization of our population, which is something that everyone will basically agree with.

My complaint is this, that nothing is being done in a positive manner; nothing is being presented to us to show how it will be accomplished, and at the same time we are asked to pay two cents a gallon additional tax on gasoline.

My thought is this: if we examine our highway budget we will note it is now 35 per cent. of our total ordinary capital expenditures. It used to be 30 per cent.; in fact, it was 30 per cent. last year. When the Queen Elizabeth highway was built — under a different government, I will admit — the highway budget was approximately 12 per cent. I suggest to hon. members that the development of that highway did more for the industrialization and development of Ontario than all the highways that have been built in the province since that time.

Mr. Speaker, what I am going to suggest to this House for serious consideration is this: I know it costs money to build highways, and apparently it is going to become more and more costly, and going to eat more and more into our sources of revenue. Why not seriously sit down and prepare a master plan? Why not present it to this House for its comments?

Then, why not borrow the money required to build these highways and

repay the borrowings in a mathematical and orderly fashion by taking a certain number of dollars out of revenue each year?

The hon. Prime Minister (Mr. Frost) suggested about 12 or 13 years ago that there was nothing wrong with borrowing money or increasing our debt providing the money is used for self-liquidating assets.

Highways represent such an asset; they do produce some revenue, and from those sources of revenue we could derive enough money to pay off the loan.

I do not want a highway commission. I want this to remain under the authority and jurisdiction of this House, but certainly our highway financing could be divorced from our general financing. It could be set aside in a mathematical and allotted fashion that would permit of those types of highways and of the payment for them in an orderly fashion. If that can be done I suggest we will have done something for the province of Ontario.

I can encourage the hon. members of the opposition in no more effective way than to ask that they boldly and directly think in terms of plans for the future. Our highways will underwrite the economic development of our future, and unless they provide the things that I have suggested they should do, we will fail in our responsibility to the people of Ontario.

Mr. Speaker, the next subject that I would like to touch upon for a little while is the question of education. In that respect I would like to refer again briefly to the budget. Unfortunately, I did not include this chart because it is not possible to mimeograph a chart. However, the chart appears in the budget itself, and that chart demonstrates that in the present year our highway allotment has increased from 30 to 35 per cent. of our total expenditures; education and agriculture 20 per cent.

When I looked at that I stopped in amazement to think why The Department of Agriculture should be associated with education; we have never done

that before. Naturally, one begins to question the reason—

MR. OLIVER: To get suspicious.

MR. WINTERMEYER: Yes. The analysis, apparently, produces this: last year our educational allotment was 19.6 per cent. When we work it out, our educational allotment is seen to be only 18.4 per cent. of our total expenditures. In other words, we are using less and less of our budget for education and more and more for highways.

That is not a very desirable situation, and I presume it is not being unkind to the government to suggest that they did not want that information to become fully apparent in this chart, so, therefore, they lumped together education and agriculture.

Fortunately, agriculture had remained a constant proportion of our total expenditures—that is, 2 per cent.—so the 2 per cent. plus the 18.5 per cent. produces 20.5 per cent.

The fact is that less and less of our expenditures are being allotted to education. One can talk dollars from now until doomsday, but the fact is we are not using as much of our budget as we did last or in past years for the cause of education.

In the budget address itself, hon. members will recall the words of the hon. Provincial Treasurer. He said:

It is also sometimes said that the municipalities should have more fields of taxation. Thirteen years ago when we introduced a new approach to the municipal problem it was the opinion, and that opinion still seems to be prevalent, that there was no altogether satisfactory way of granting municipalities access to additional forms of taxation which they might employ themselves.

It was decided, then, the most effective assistance the province could immediately render to the municipalities was to increase its grants to education, and that it has continued to do through the years. The assist-

ance to education was intended to serve two purposes. First, to relieve the property owner of some of the burden of real estate taxes and, second, to improve the standards of education through the province.

Mr. Speaker, those are commendable words. The question is, what is the basic problem?

The government, apparently, has taken a stand that the way to tackle the educational problem is on the per pupil or per capita grant. In ordinary language, the grant system. The government has suggested that this current year it is going to devise a uniform yardstick for all assessment in Ontario and that is a very commendable thing; but are we getting to the heart of the problem?

I am not talking about technical educational qualifications and such like. I am talking about the heart of the financial educational problem. What is the problem?

The problem, in essence, is this: in certain areas there is a predominance of industrialized assessment; in others, a predominance of residential assessment. Necessarily, therefore, in all those areas not highly industrialized, the home owner must pay more and more towards the educational costs of a child in dollars than the man in the adjoining community which is highly industrialized. That is the problem. I think the government will acknowledge this.

The question is, what is the solution? I will suggest what I think is the only worthwhile, direct solution; and that is the per classroom grant system. By that I mean, one must start with, as the government has said it will start with, a uniform assessment throughout the province, a basic assessment that will be applicable in all areas. Then our experts and the experts in The Department of Education can determine how much the ordinary classroom costs in terms of capital expenditure; in terms of teachers' salaries, ordinary expenditures and all the incidentals. They can break it down to determine what amount will be required to operate one classroom satisfactorily.

The second determination that can be made is what we think, in our discretion, the average land owner should pay by way of a levy. Suppose that is a determined and agreed figure. The government should be responsible for making up the difference between those two figures in all instances and in all parts of Ontario.

One hundred years ago Ryerson said, "Every child in Ontario should have the right to equal education." That is still a challenge today. In parts of Ontario, I understand, in parts of the Yorks where there is a predominantly residential area, the people are expected to pay far more towards education than in other sections.

It is inequitable; it is unfair. Unless, and until, the government recognizes that is the basis of our financial educational problem, we will make no real progress.

One gingerly step has been taken in that direction in the matter of equalized assessment. I commend the government for that. But, unless the government intends to and will pursue the course I suggested, we will not have an equitable solution.

Here again, I ask the hon. members of the opposition to make known their thoughts in this respect. The government should tell us what they are going to do in this respect; and whether they intend to go along with the suggestion I have made as to a solution, or whether they are going to attempt some other solution. An issue is required because this is one of the most important problems facing the people of Ontario today.

Another suggestion was that the government should take over the teachers' salaries.

I do not think that is good for this reason: although it would provide a speedy financial solution we must remember this; I understand the teachers do not like it, and they are still the bulwark of our system. They are the people on whom we depend for the survival of democracy in the mature age of our children.

Therefore, I would say if the teachers are opposed to the idea of becoming civil servants, I would not suggest that solution.

But would suggest the alternative one I have mentioned — the per classroom grant system. I think that would be a fair, speedy, direct and equitable solution of our entire financial educational problem. And I say to this government to stand up, as the hon. Prime Minister has said, and be counted, and inform us whether or not they are going to do it, and if not, I suggest to the hon. members of the opposition that we take up the cause of the people of Ontario to effect what Ryerson suggested 100 years ago.

The next subject I want to talk upon for a few minutes is the question of corporations. In that respect, I feel like a man who is crying in the wilderness.

AN HON. MEMBER: He has been crying all afternoon.

MR. WINTERMEYER: Mr. Speaker, that is typical of the sentiment that sometimes pervades this Legislature. It is a nonsensical comment that produces no good result. I could rise and present this in a "slap-happy", "swashbuckling" fashion and say all the front benchers are failing in their responsibility, but I do not intend to do so.

AN HON. MEMBER: He is making a good job of it.

MR. WINTERMEYER: Mr. Speaker, let us get on with it. In regard to corporations I simply want to say that a few weeks ago I had the opportunity to speak on this same subject. I suggested we should not have a corporation tax. Apparently, the government has decided otherwise.

At the risk of repeating myself, I would like to make some comments in that respect. Mr. Speaker, I think we should ask ourselves; what is the real problem at hand? What is the problem with respect to corporation tax? Accord-

ing to this morning's paper the hon. Mr. Harris, I believe, suggested if we had gone into the tax rental agreement we would have received \$40 million more than we are going to.

HON. MR. PORTER: No.

MR. WINTERMEYER: Do not jump too quickly. I am not going to suggest we would receive \$40 million more. What hon. Mr. Harris meant was that, had we gone into the agreement, we would have received \$196 million in the form of rebates in income and corporation taxes. Under our present system of imposing an additional levy of 2 per cent. we will receive \$223 million; a difference, therefore, of approximately \$26 million which is exactly 2 per cent.

Therefore, this is our problem: we will receive \$26 million more by levying an additional 2 per cent. on the corporations.

Mind you, we are going to lose a little in the tax rental field because if perchance in some areas of Canada, the west particularly, the corporation revenue from income tax is more than expected, more rebate than the hon. Mr. Harris estimated would be available to Ontario. By staying out of the field, of course, we do not get it so there is a possibility we lose some.

In fairness, I will acknowledge the problem is simply that we are going to raise \$26 million by the levy of a 2 per cent. tax. Is that fair? Is it equitable? Is it desirable? That is our problem in a nutshell.

MR. WARDROPE: How did he get the figure of \$26 million?

MR. WINTERMEYER: May I say to the hon. member for Port Arthur that if the hon. Mr. Harris were not more accurate in estimating his revenue he would not have a surplus of \$500 million but a fantastic surplus. He may not err in gross national product by more than 1 per cent. to produce that result.

Now certainly in fairness, you cannot ask a man to predetermine the

revenues to 1 per cent. accuracy. Our own is approximately 10 per cent. out. Suppose the hon. Mr. Harris had been 10 per cent. out in his calculations, what sort of surplus would we have had? It is acknowledged that dollarwise it is large, but percentagewise—

HON. MR. PORTER: Theirs is more than 10 per cent.

MR. WINTERMEYER: Now just a minute, I refer to gross national product.

HON. MR. PORTER: Oh, well, that is different.

MR. WINTERMEYER: I said, and the hon. Provincial Treasurer knows I did, that these predeterminations of economic conditions and revenues are all geared, measured and determined by the gross national product. I said an error of 1 per cent. in gross national product would upset the "applecart" surpluswise.

HON. MR. FROST: We are tied to the same thing, we have to do the same thing.

HON. MR. PORTER: With the tax rental agreement, we are tied right down to that.

MR. WINTERMEYER: That is true.

HON. MR. PORTER: The hon. member does not want to blow hot and cold.

MR. WINTERMEYER: But the hon. member for Port Arthur has asked me, "what about the \$550 million surplus?" and I say there is as ready an explanation for that as there is for that additional revenue which is produced in this province by way of supplementary estimates.

MR. WARDROPE: Is that the opinion of the hon. Mr. Harris?

MR. WINTERMEYER: I do not know that, but I do know it is that of

Mr. Carrie, the president of the tax foundation.

HON. MR. PORTER: It goes to show that he can get along with less money, anyway.

MR. WINTERMEYER: What about this government? What is sauce for the goose is sauce for the gander.

HON. MR. DUNBAR: Ask the hon. member for Bruce (Mr. Whicher) if that is the opinion of the hon. Mr. Harris.

MR. WINTERMEYER: Mr. Speaker, in connection with corporation tax and getting down to the essence of it, may I divide my comments into two respects. First, approaching it technically, these are the significant facts, one, we are going to be 2 per cent. higher than Quebec. Hon. members will recall that a year ago the hon. Prime Minister had great hesitancy in increasing a corporate levy to a point where it would be higher than that of Quebec, because he was afraid it might have some effect on the flow of industry back and forth. Apparently he has changed his mind in that respect, from his unconcern about it.

HON. MR. PORTER: Mr. Speaker, in Quebec they have a special corporation tax which is the equivalent approximately of the 2 per cent.

HON. MR. FROST: That is right.

MR. WINTERMEYER: Mr. Speaker, I expected that comment. As I understand it, and I think the hon. Provincial Treasurer will admit, Quebec is going to levy at the rate of 9 per cent., and we are 11 per cent., and in Quebec they have a special tax with respect to places of business and so forth, but the revenue that is produced from this special tax is nothing like the revenue that is produced from the tax levy itself. We have this incidental corporate tax here.

HON. MR. PORTER: No, Mr. Speaker, we have not this at all now, and under our new Act we propose that they will not apply, they are deducted from income tax.

MR. WINTERMEYER: That may be, Mr. Speaker, that we are going to rid ourselves of them, but the fact is that these are not of the same vital concern as is the levy on income itself.

HON. MR. FROST: Mr. Speaker, the estimates of the hon. Mr. Harris on that point are that those special taxes in Quebec are worth between 1.5 and 2 per cent. of corporate income. On that basis, Ontario with 11 per cent. is running about parallel with the 9 per cent. plus the 1.5 to 2 per cent. in special taxes.

MR. WINTERMEYER: That explanation may be correct, and it may be that the government has made its predetermined computation, but it would be extraordinarily surprising to me that those relatively minor sources of corporate tax revenue would be the equivalent of 2 per cent. Would it have been wiser, instead of levying on income, to levy the same sort of tax here, if this government could have received the same type of revenue? I would have thought that that source would be far inferior to the levy on income itself.

However, if the government takes the position that it is the equivalent of a 2 per cent. levy, then I ask the government whether it would be wise to consider the advisability of substituting that for the levy itself; because they could have stayed in the agreement and made this levy and done away with all the inconveniences that are going to result, as a result of staying out of the federal-provincial field.

In continuing my technical objections to the 2 per cent. corporation tax, remember that while we in Ontario are in a favoured economic geographical position, the fact is that we will not always be so, that the advantages which we have now in industry, particularly in the manufacturing industry, may

change rapidly as the west develops, and I suggest that many concerns will consider moving west, or locating out west in preference to locating in Ontario.

Hon. members opposite will say: "What difference does 2 per cent. make?" Well, it makes a material difference when one is considering the location of industry. The 2 per cent. as such may not be so much, but when is it going to be 3 per cent., 4 per cent., then 5 per cent.? The industrialists will think of that, and I am concerned that maybe we have dealt a blow to the most profitable source of revenue in Ontario.

Seventy per cent. of our gross economic operations are represented in the manufacturing industry, and this particular levy is directed against that manufacturing industry, and do not think that the manufacturing industry is not upset by it. Possibly they can carry the 2 per cent. but, when added to the 47 per cent. that is imposed at the federal level, there is a 49 per cent. levy by way of income tax. Granted, somewhere there must be a stop, but the question is, where? We talk about geese that lay golden eggs; I suggest that before we kill this goose we stop asking industry to carry more and more of the load of our provincial expenditures.

MR. WARDROPE: Ask the hon. Mr. Harris.

HON. MR. PORTER: Mr. Speaker, may I ask the hon. member—

MR. WINTERMEYER: Mr. Speaker, may I answer the other hon. member first? I am going to take a moment here because I think it is important and I would repeat, and I invite the hon. member for Port Arthur, who I know is a good friend of mine, to consider with me seriously that question.

At the present time, for 1956-1957, the federal government has received by way of income tax levy \$1.2 billion, that is the gross revenue from that

source, and \$1.3 billion from corporation tax, a total of \$2.5 billion. Now the total revenue for the year has been about \$4.7 billion; the hon. member for Riverdale made the computation the other day—I do not believe the hon. member for Port Arthur was here—and suggested that it represented 55 per cent. of the total federal revenue. In other words, personal and corporation income tax represents 55 per cent. of the gross revenue of the federal government.

It must be remembered that the federal government rebates a good part of what it receives to the provinces.

MR. WARDROPE: Not enough.

MR. WINTERMEYER: Well, Mr. Speaker, they rebate close to \$500 million, which is roughly 10 points or 10 per cent. of their total "take." In other words, it retained for its own use about 45 per cent.—I am sorry, what I mean to say is that about 45 per cent. of the total revenue which the federal government used came from those two sources. My computation under the present budget would suggest that in Ontario today income tax and corporation tax is paying for about 42 per cent. of our total expenditures.

Where is the discrepancy, where is the terrific difference? In Ontario we are receiving just as much from income tax and corporation tax as the federal government is. What do hon. members opposite want, to finance the entire provincial activity with an income tax? Do they suggest that we raise it more and more? Surely they are not going to suggest that the federal government can give us more and more and tax less and less at the federal level.

MR. WARDROPE: A little of the \$550 million surplus would do.

MR. WINTERMEYER: And would the hon. member tie his kite to the \$550 million surplus? If perchance that became a deficit, as it did a year ago, would he be prepared to take a loss? The federal offer is a definite offer.

MR. WARDROPE: But we would get no option.

MR. WINTERMEYER: No, but the federal government said it will pay the province a stipulated amount, a stabilized figure; it has not tied it to its surplus, and if the hon. member suggests that it be tied to its surplus, I am sure the federal government would accept that suggestion, but he would have to take less when the federal government ends up with a deficit or with a lesser surplus than it happens to have this year.

Mr. Speaker, the point I want to make is simply the fact that, in all fairness, I think we are financing enough of our activities from these particular sources of revenue, this particular form of taxation. That is, the corporation tax has by custom been allotted to the federal government. Over the past number of years people have become accustomed to paying that tax to the federal government. That will be changed and a great nuisance and inconvenience will be caused to those people. The question is whether or not it is worthwhile.

In addition, there is this question of whether or not it is a source of revenue that we should depend on. Somebody the other day said that it is a very volatile form, that it goes up and down, one cannot be sure of it. The fact is that in this current fiscal year the federal government will receive less from corporation income tax than it anticipated, and it is the only source of revenue which shows a decrease.

Next, and I think more important, is the political objection which I have to corporation taxes. I believe it is a blow at national fiscal unity; I suggested that a week ago. I suggest that hon. members think seriously of the fact that the whole essence and history of our Canadian political economy has been graceful compromise; I wonder how graceful we were when we decided that we would not go along with Ottawa, when we decided that for our own convenience

and our own needs we would upset the whole national fiscal programme?

The day will come, I am sure, when we will regret this from a political and from a national point of view.

However, lest anyone think that I am talking for the big corporations, for the monopolists, for the empire builders, I am not. The fact is I am thinking of the small man, the man who employs from 5 to 500 people. That man grows up in an enterprising way, he takes his profits and saves them. This government will take from him 2 per cent. The federal government at least agree that up to \$20,000 it will take only 18 per cent. and in excess of \$20,000 47 per cent. But this government says no, the little man is the same as the big man, and we take 2 per cent. from all.

I think what is going to happen is this, we are going to destroy the initiative that built industry in Ontario, we are going to create the impression in the little man that there is no purpose in building up, because he will have to pay most of it to the government.

What will the net result be? It will be that many small businessmen will sell out to bigger businessmen and eventually we will have exactly what we do not want, a lot of big businesses. This is a real stab in the direction of private enterprise on a small down-to-earth scale.

The man at the work bench, the mechanic, garageman, the small incorporator, is the man who is really going to feel the brunt of it and feel it in full.

In case somebody suggests that I am talking for the big corporations, let me suggest that the average labour man will feel this materially when it comes time to negotiate for an increase in wages. It is all right to say that it is an endless pot, and is a fund that is inexhaustible, but it is not, and it will be used effectively and unfortunately against workmen when they ask for an increase in wages.

Mr. Speaker, may I conclude these remarks in connection with corporations,

simply by saying that the people of this province are not socialists, they believe in freedom, in private enterprise and free enterprise, and want to work out their own destiny with a minimum of governmental intervention. The less the government intervenes in their operations, the more they will be able to do so, and this particular effort is demonstrative of the government's desire to get money where it can be obtained easily, expediently, and painlessly, and where it is currently available even though it may not be available in the years to come.

I suggest that it is not a question of big-time business, but it is a question of doing harm to our private, small business that has built this province to a point where 70 per cent. of our economic activity is represented in the manufacturing industry.

Mr. Speaker, if I may move on to the question of municipalities, this I think is the most dominant provincial issue at the present time, the question of our fiscal arrangements as between the municipal governments and the provincial government.

As I have said several times this afternoon, I simply ask the question: What is the basic problem?

I suggest, and I think hon. members will agree, that the basic problem in conjunction with municipal financing is the fact that over a period of years the land owner, the resident of a municipality who owned land, was required to pay more than his share of the total municipal financial costs.

This government has made an effort this current year to alleviate that situation. As I understand it, the government has instructed the municipalities to determine how much money they will require to operate in any given fiscal year and to levy accordingly, and the levy that they determine in that manner will be the levy for the non-residential land owner, the business land owner. Then, for the balance, they apply the grants that are to be received from the provincial government, to reduce the amount of money that has to be raised by levy from the residential land owner.

On the surface that is a good thing, but I suggest to hon. members that the difficulty with the move is the fact that the government has failed to take into consideration the realities of municipal councils. On the very day that the hon. Minister of Municipal Affairs (Mr. Warrender) rose and introduced the bill, somebody in this back row handed me a copy of the *Toronto Daily Star*, headlined as follows:

PAINLESS SURTAX WILL START
EAST-WEST SUBWAY,
SAYS GARDINER

I suggest to hon. members that Mr. Gardiner, being a realist, was just one step ahead of this government and realized that he could get his oar in before the government could effect the particular reduction that would help the residential owner; in other words, a municipal council does not put blinkers on one moment and take them off the next moment; they anticipate this grant in advance and, knowing that the grant will come, they realize that they can increase the residential levy a certain number of mills without upsetting the residential owners.

If that be the case, then the procedure that has been suggested by this government is having exactly the opposite effect to what was intended. This was intended to be of some relief to the municipal residential taxpayer. It is apparently going to be of no relief to him. All that the government and all that the municipalities are going to do is decide that now, lo and behold, in view of the additional grants, they can build new city halls and other forms of physical assets that will eat up this additional levy. I believe the government must be criticized for failing to understand that.

HON. MR. FROST: And I suppose, Mr. Speaker, we should not give the municipalities any more money.

MR. WINTERMEYER: I beg your pardon?

HON. MR. FROST: The hon. member's argument is that we should not give the municipalities any more money.

MR. WINTERMEYER: Is that the hon. Prime Minister's argument or mine?

HON. MR. FROST: The hon. member's; that is what he is arguing.

MR. WINTERMEYER: Mr. Speaker, before I make this statement, may I say that I think it is fair to point out that the government is committed to a grant system as far as the municipalities are concerned, that is, they intend to give money to the municipalities by way of per capita grants to take care of municipal financial needs.

I agree, to the extent that we have to subsidize. I agree in a subsidy to the municipalities. I agree that certain municipalities do not have the financial resources to carry on their own activities just as certain provinces do not have; and to that extent we should make provincial grants.

But to the extent that the municipality can exercise their own individuality and conduct their own affairs, I do not think we should make any grant; I think it is a violation of the basic system and a reversion to the dole. That is, if the municipalities have to come here, hat in hand, to get their money, I do not think it is a good idea.

I suggest to hon. members that we should look at the whole picture, that we should consider seriously the advisability of putting more and more responsibility on a municipal level, of approaching certain definite responsibilities from the municipal level, of permitting municipalities to tax in accordance with their own discretion, where at the local level there will be an opportunity for people to decide whether they want gold-plated streets or asphalt streets. If in Lindsay they want gold-plated streets let the people in that area put them there, and if in Durham they want asphalt streets, they should have the right to put them there.

A few days ago, the hon. member for York East (Mr. Beckett) made what I thought was a very worthwhile contribution to the Throne debate. The member said that serious thought was being given in New York state today to decentralization of responsibility. Our own mayors and reeves associations are thinking along the same lines, and the hon. member suggested there is much merit in permitting municipalities to exercise discretion in the collection of revenue at the local level.

I suggest if we pursue that, it would be a total variance with the present government policy. This would be a real service in the long run. What we want is to get government back to the local level. The more responsibility on the local level, the more opportunity there will be for people to decide what they want, when they want it, and how they want it. After all, the people are the ones who pay, and this is something into which we can really put our teeth.

However, here we have a government which is interested in empire building, interested only in the paying of a subsidy, and I suggest that we take a look at the suggestions, by the mayors and reeves, as has been advocated in this House by a man experienced in municipal affairs, and create an issue. We are often told to stand up and be counted and on this we can.

I suggest and beg that we take issue with the government on this, and espouse a policy that will eventually succeed in putting municipal government back at the municipal level, and permit municipalities to have sufficient powers to control their own financial affairs.

There are good municipal mayors, reeves, and municipal men, men who understand their own needs and responsibilities better than we. I am not critical of empire builders, of men in The Department of Municipal Affairs who want to control all — not at all — but the fact is that no one knows the needs of municipalities better than the people at the local level.

I say to you that here is something that men with vision, people with

courage, can put their teeth into, an issue which should become one of real political significance. The municipal problem must be solved. The government has wooed and is married to the empire building system, and I suggest it is not the only system. I suggest there is a good alternative and I ask hon. members to have vision and courage, because I can assure them that the reward will be compensating in many ways.

I suggest to this House that, before we try to use the 1943 model which the hon. Provincial Treasurer has said has worked so well up to 1957, we think in terms of discarding the method and setting out on a new course. If the government will not do this, let us organize the mayors and reeves; let us organize the people who know these things, and let us see what the people think about this particular problem. It is about time we had some issues upon which we can stand up and be counted, and I hope and beg the hon. members of the opposition to stand with me on this score.

Mr. Speaker, last year I had the opportunity to make a few remarks on Hydro, but, as so often happens, what I suggested did not happen. I cannot be blamed for trying, and perhaps some day these suggestions will come to something.

MR. LAVERGNE: Some day the hon. member will see the light and will move over to the Conservative side.

MR. MacDONALD: In the hon. member's (Mr. Lavergne's) part of the country, they switch all over the lot.

MR. WHICHER: Some day the hon. member (Mr. Lavergne) will not be here.

MR. WINTERMEYER: Mr. Speaker, I am sorry to have to tell you that we will have to go back to the schedule for a few minutes, but I think it is going to help materially in the presentation of this subject. I would like to refer to pages 13 and 14 of the brochure. On page 13, I have set out firstly

the estimated gross capital debt of \$1,200 million for the end of March, 1957. I have deducted the gross capital debt as of a year ago, and demonstrated the increase in the gross capital debt, that is \$133 million.

What I have done in the fifth and sixth paragraphs is to try to break down that \$133 million. Hon. members will recall that our net debt has increased by \$81 million, while we have likewise financed Hydro by direct advances to the extent of \$50 million during the past year. That represents the basic component contribution to the increase, that is, the increase in the net debt of \$81 million and the contribution of \$50 million to Hydro.

Now, let me jump down to the seventh item, and point out that, of the \$419 million that we deduct from our gross debt to effect our net debt, at least \$300 million — I have estimated here \$350 million — is represented by our commitments on behalf of Hydro. That is, we have borrowed the money and Hydro will pay us back.

I would like to continue this presentation by referring to page 14, and on that page hon. members will notice that I have tried to analyze our contingent liabilities. Our contingent liabilities as of March 31, 1957, were \$1,200 million, that is, liabilities, people and institutions that we have guaranteed. We have increased that by \$123 million in the last year, and have increased our commitment, \$140 million, so our net increase of \$123 million comes from the fact that we have advanced contingent liabilities to institutions other than Hydro in substantial amounts, because the net is less than the actual increase in Hydro. At the bottom of that page I have tried to set forth what I hope is the essence of the matter which I want to present to you.

At the present time we are committed to Hydro contingently in the amount of \$1,100 million and we borrowed on behalf of Hydro \$300 million. The total advance to Hydro, the total contingent liabilities for Hydro, are therefore \$1,400 million. That is a sum about

which even this House should be concerned.

It may be that in the old days we talked in terms of hundreds of thousands. Now we have acquired the habit of talking in terms of billions, and it seems to me that we do not give adequate consideration and thought to the real responsibility that we have on behalf of Hydro, financially speaking.

Last year I suggested that Hydro had grown to a point where it could divorce itself from any financial assistance from the Ontario government, that it was in a position to underwrite and finance its own debentures and pay for them. I repeat that now. Surely this institution, which has grown up to a point where we are committed to the extent of \$1,400 million more than all our other contingent liabilities together, should be sufficiently strong at this time to stand on its own feet.

I think it is time we decided what the original purpose of Hydro really is. As I understand it, Hydro was intended to provide electricity at cost to the people of this province, and I question whether that is being done at the present time. I know, and hon. members know, that in Quebec and along the Quebec border, there are private concerns selling power to Ontario residents at rates cheaper than what Hydro can sell, and yet they pay corporate taxes. They pay income tax. Our Hydro pays nothing.

I know too, that Hydro has been divorced from this government and from legislative responsibility to the extent that they are not members of the civil service. Now, I do not know why. Why have we permitted this institution to grow up without control? Why have we permitted it to be committed to the type of financial responsibility to which we have been committed with no reward? In Detroit, they are selling industrial power cheaper to their industries than Hydro can sell in the same area. Surely it was the intention that we get Hydro for our own needs in Ontario at rates substantially less than

competing private companies. Apparently that is not the case.

I am going to make this suggestion. We have constantly had hon. members of this Legislature go down to Hydro and sit on the commission as our agents. I have nothing personal against these men at all, but I suggest they go there and are wooed by the other commissioners and come back and tell us the Hydro story instead of going to Hydro and telling them what we want done. I frankly think there is too much empire building in Hydro.

These reserves we hear about; why do they need reserves to take care of the atomic age? These reserves are far larger than industry would expect to put aside for the future, but under our very eyes this institution for which we are liable "gets away with murder." I would bet my bottom dollar that any hon. member in the back benches could handle Hydro the way it should be handled and save 25 per cent. of the total cost each year.

The hon. Provincial Treasurer is smiling, but I am sure I would like to see him in charge because he would do better than save 25 per cent.

It is time we became economy minded. It is time we did something about this particular institution. I do not propose to tell hon. members the answer, because I do not know, but there may be hon. members here who can contribute to the debate, and I ask that they do so. It may be that someone can come up with a solution that will assure that this particular institution, so essential and so good in its foundations, does not continue to be a drag around our necks.

We have the waterways commission coming along that is expected to require money, and we hear the hon. Prime Minister and the hon. Provincial Treasurer say day after day that we cannot borrow money because we have borrowed so much. Well, if we rid ourselves of some of these, maybe we would be in a better position to borrow for purposes that are closer to home.

I would now continue to another matter, and again it is a commission, and I am going to refer directly at this time to the liquor commission.

MR. MALONEY: Turn that over to the water division.

MR. WINTERMEYER: In this respect, Mr. Speaker, the only thing we are told in the budget is they made \$54 million, not another word. We are not told what the gross profit was, what the net profit was. I suppose somebody will say "Yes, but you will have an opportunity for 15 or 20 minutes at some time in the session to sit in on the committee on commissions and discuss this matter." I may be a little jovial about that, but this is serious business. Here is another commission where the employees are not civil servants.

MR. COLLINGS: Mr. Speaker, may I interrupt the hon. member? We consider the employees of the liquor control board to be civil servants.

MR. WINTERMEYER: Mr. Speaker, it may be that I have to stand corrected, because my investigation suggested they were not, but I am not going to dispute the matter.

HON. MR. NICKLE: They come under The Public Service Act.

MR. WINTERMEYER: Are they considered civil servants the same as the employees of The Department of Planning and Development?

HON. MR. NICKLE: When I was Provincial Secretary, and I am sure the present hon. Provincial Secretary (Mr. Dunbar) is of the same mind as I was, they were civil servants and came under The Public Service Act.

MR. WINTERMEYER: Well, are they?

HON. MR. NICKLE: Yes.

MR. WINTERMEYER: Does the hon. Provincial Secretary agree that they in fact are civil servants?

MR. COLLINGS: They have all the benefits of the civil servants of the province of Ontario.

MR. WINTERMEYER: Well, are they or, are they not, full-fledged civil servants?

MR. COLLINGS: Yes.

HON. MR. DUNBAR: I think so; I consider them the same as any other civil servants, there is no difference.

MR. WHICHER: Ask the hon. Prime Minister.

MR. WINTERMEYER: Mr. Speaker, I will not embarrass the government in this respect. I do not think they are full-fledged civil servants but I think they should be. It often has amazed me that just the right Conservative happens to be at the right place at the right time every time a liquor control board appointment is to be made.

HON. MR. FROST: That is right. The hon. member fired all the Tories out of the liquor control board, so he is on poor ground on that one.

HON. MR. DUNBAR: We guarantee them security now.

MR. MacDONALD: The pot calling the kettle black.

MR. WINTERMEYER: The essential point I want to make in this respect is this: a lot of people in Ontario feel that a lot of money is being spent on liquor, it comes to something like \$57.00 per capita and a lot of people feel very strongly that this is not a good thing. Many citizens have certain religious and conscientious concern about this. There are others who have different feelings. I think for too long this particular subject has been tabooed. All I am going

to ask in this debate is that the subject be brought before the Legislature and debated.

This is a real political issue. We have to take our stands; we have been asked to stand up and be counted. We can be counted on a lot of things other than what the government wants us to be counted on.

I think the time has come when we have to investigate the determination of whether we are permitting the sale and distribution of liquor to the advantage and best interests of all the people of Ontario. I can tell hon. members I am not a prohibitionist, but I am very concerned about the fact that much of our crime is related to liquor consumption. I am concerned about the concern of a lot of people, and I think it is time this matter be aired directly and effectively where it should be, and that is in this Legislature.

HON. MR. FROST: Go right ahead; that is the hon. member's job.

MR. WINTERMEYER: It is one thing to transfer responsibilities to commissions and take them out of politics, if you will, but this is a matter which should not be taken out of politics, and which should be settled here. I hope hon. members in this House, and particularly hon. members of the opposition, will have enough courage to bring forth suggestions for good reform and good legislation in connection with this particular problem.

MR. WHICHER: They would never pass it, anyway.

MR. LAVERGNE: They have had one good suggestion, and that was more advertising.

HON. MR. DUNBAR: It was their suggestion to put it in the grocery stores; that was their platform.

MR. WINTERMEYER: It may be these are all cross fires, but there is real issue under all this, and all I am suggest-

ing is that we have the courage to bring it up and talk about it.

Mr. Speaker, in my concluding remarks I would simply like to say to you, and particularly to the hon. members of the opposition, that I think that in this particular budget we have real fighting ground. I think that there are certain issues, and I have tried to define them, which provides the opportunity to take sides.

That is the essence of our party and democratic system. We must take issue with the government in certain respects. I do not believe in manufacturing political issues, but I think there are 4, 5 or 6 issues, which I have touched on briefly and generally this afternoon, that can become real fighting ground.

I say for those of us who have vision and courage, there is real opportunity for reward in pursuing certain opposites to the government's suggestions. Do not be afraid to be counted against the government. Do not be afraid to take sides, and I think for the first time in a long while there are things and issues in this budget, the answers to which the people of Ontario are really concerned about.

There are two sides to the issues—to all of these issues. Let us show the people of Ontario that we have courage and conviction and the drive and determination by showing them the other side, because we have that responsibility, and by exercising it forcefully and with effect we will serve our purpose in this Legislature and discharge our debt to the people of Ontario.

Mr. Speaker, I have taken a lot of time, I know. I hope that in some respects I have defined certain issues, which I hope will serve the purposes of this debate.

If I may summarize them, I would suggest, firstly, there is the question of the constant undervaluation of our revenue. There is the question of planned or no planned attack on our debt. There is the question of highway reserve. There is the question that I have outlined on education; a bold, new approach.

There is the question of whether or not it is wise to go along with Ottawa in the fiscal assistance; and whether or not it is wise, for our economic development, to levy a 2 per cent. tax on our corporations.

There is the question of whether or not it is fair to expect the motorist to pay an additional 2 cents gasoline tax when he is not sure when his highway will be developed. There is the question of municipal aid. There is the question of whether the grant system is adequate and equitable. There is the question of our form of commission government, whether such things as Hydro are serving their original purpose, or becoming empire builders.

These I hope, in general language, are some of the things which should be debated. I hope that I have defined the grounds sufficiently, broadly and accurately, to permit hon. members individually to rise in this debate and express themselves in their own respective opinions freely.

Mr. Speaker, in final conclusion I simply tell you that it is a pleasure always to have an opportunity to take my place in this House and take part in any important debate. I regret only one thing this afternoon, and that is if perchance by inadvertence I was impolite to any person personally, I retract that. I think there are issues which are bigger than any of us individually, and we have to meet them effectively. I tried to do so, and hope to the extent I have tried that I have contributed to this debate. Thank you.

Mr. Speaker, I move, seconded by Mr. Oliver, that the motion now before the House: "That Mr. Speaker do now leave the chair and the House resolve itself into committee of supply" be amended by adding thereto the following words:

But this House regrets that the government has imposed huge additional taxes which, along with the natural yearly increase of provincial revenue, are entirely out of proportion to the added grants and services that

this has given to the people of Ontario.

MR. D. C. MacDONALD (York South): I move the adjournment of the debate.

Motion agreed to.

THE TEACHERS SUPERANNUATION ACT

Hon. W. J. Dunlop moves second reading of Bill No. 99, "An Act to amend The Teachers Superannuation Act."

Motion agreed to; second reading of the bill.

THE LAND TITLES ACT

Hon. A. K. Roberts moves second reading of Bill No. 75, "An Act to amend The Land Titles Act."

He said: This bill will go to the legal bills committee, and is mostly technical corrections without any great change in principle. Section 5, however, does provide for the repeal of the law stamps system used in the land titles office.

Motion agreed to; second reading of the bill.

THE MAGISTRATES ACT

Hon. Mr. Roberts moves second reading of Bill No. 76, "An Act to amend The Magistrates Act, 1952."

He said: The purpose of this bill is to restrict the security of tenure provisions of two magistrates who receive an annual salary under the Act.

Motion agreed to; second reading of the bill.

THE MECHANICS' LIEN ACT

Hon. Mr. Roberts moves second reading of Bill No. 77, "An Act to amend The Mechanics' Lien Act."

Motion agreed to; second reading of the bill.

THE PARENTS' MAINTENANCE ACT, 1954

Hon. Mr. Roberts moves second reading of Bill No. 78, "An Act to amend The Parents' Maintenance Act, 1954."

MR. OLIVER: Is there any change in the amounts?

HON. MR. ROBERTS: No. The main purpose here is to enable the magistrate to make the order back to the date the application was made instead of the date of the hearing.

Motion agreed to; second reading of the bill.

THE REGISTRY ACT

Hon. Mr. Roberts moves second reading of Bill No. 79, "An Act to amend The Registry Act."

Motion agreed to; second reading of the bill.

THE POWER COMMISSION ACT

Hon. R. Connell moves second reading of Bill No. 80, "An Act to amend The Power Commission Act."

MR. OLIVER: Does the hon. Minister Without Portfolio have some remarks on this bill?

HON. MR. CONNELL: Mr. Speaker, the effect of this clause is to authorize the commission, subject to the provisions of the Lieutenant-Governor in Council, to convert to 60 cycles from 25 cycles their generating stations in northern Ontario; and section 2, this new subsection provides that the cost of converting the northern Ontario properties shall be charged towards expenses. Apparently there has been some doubt as to the legislative procedure, and this is to clear up any doubt which might exist.

MR. OLIVER: Might I ask the hon. Minister Without Portfolio what cost figure is envisaged in the conversion in northern Ontario?

HON. MR. CONNELL: Well, I have not that figure with me, but I am sure that it has been gone into very thoroughly.

MR. OLIVER: Does the hon. Minister Without Portfolio know what it is?

HON. MR. CONNELL: As I say, I have not the figures.

HON. MR. FROST: I think these figures were given in the general estimates in connection with Hydro.

Of course, I realize that those estimates are subject to the escalators that have come about by the very prosperous times in which this country, or province, is passing because of this government.

I point that out to the hon. Leader of the Opposition because apparently they are very depressed this afternoon.

Of course, the matter of conversion will cost more money, but that is due to the radios and televisions. I do not suppose televisions were around when this started in 1948, but I would say to the hon. Leader of the Opposition that we have made the change anyway. It is not a question of money.

In Toronto the other day I was interested in listening to some young people who had moved here from one of the reconverted sections down in the London area; and they said how desirable it was, and that they hoped that their section would be among the next reconverted. I can tell the hon. Leader of the Opposition that this is all being done as economically as possible, and is being done with despatch; and the people like it; and we are in a position to pay the bill.

MR. OLIVER: I am sure that it is being done most economically. There is no question in my mind about that.

But I was a bit anxious to know what the cost factor was in relation to this amendment in the bill with respect to northern Ontario.

HON. MR. FROST: I would be glad to give the hon. Leader of the Opposition that information in committee on this bill.

MR. MacDONALD: I would be interested to know what areas in northern Ontario systems are on 25 and must be switched to 60?

HON. MR. FROST: I do not think that there are very many. Perhaps the hon. Minister Without Portfolio could give us particulars of that.

We purchased up in that country, my recollection is, certain properties from some other companies—the Canadian Northern Power Company and others up there—and it may be that there is some conversion there; but my recollection is that it is pretty well on 60 cycle up there now.

MR. SPEAKER: These questions can be answered when the House is in committee.

MR. OLIVER: What I am asking the hon. Minister is, how much is to be converted in northern Ontario and what is the cost?

I think that is a legitimate question on the second reading.

HON. MR. FROST: We will have that for you.

HON. MR. CONNELL: I have not the exact details. I can have them at the next meeting on the bill; but I may say that of the whole of northern Ontario the percentage of properties to be converted is small.

Motion agreed to; second reading of the bill.

THE ST. LAWRENCE DEVELOPMENT ACT, 1952 (NO. 2)

Hon. Mr. Connell moves second reading of Bill No. 81, "An Act to amend The St. Lawrence Development Act, 1952 (No. 2)."

MR. OLIVER: Could we not hold this bill? The hon. member for Stormont (Mr. Manley) is not in his seat.

HON. MR. FROST: We will leave that over.

THE CORPORATIONS INFORMATION ACT, 1953

Hon. G. H. Dunbar moves second reading of Bill No. 82, "An Act to amend The Corporations Information Act, 1953."

Motion agreed to; second reading of the bill.

THE VITAL STATISTICS ACT

Hon. Mr. Dunbar moves second reading of Bill No. 83, "An Act to amend The Vital Statistics Act."

Motion agreed to; second reading of the bill.

THE CORPORATIONS ACT, 1953

Hon. Mr. Dunbar moves second reading of Bill No. 84, "An Act to amend The Corporations Act, 1953."

Motion agreed to; second reading of the bill.

THE SEPARATE SCHOOLS ACT

Hon. W. J. Dunlop moves second reading of Bill No. 87, "An Act to amend The Separate Schools Act."

Motion agreed to; second reading of the bill.

THE HOMES FOR THE AGED ACT, 1955

Hon. L. P. Cecile moves second reading of Bill No. 89, "An Act to amend The Homes for the Aged Act, 1955."

He said: I do not know if it is necessary for me to repeat them, because I think I gave about all the particulars in the first reading on this matter.

First of all, there are minor amendments which are necessary for clarification in efficient administration. The other sections specify where assessments are to be revised and equalized in territorial districts which have homes for the aged in each year; and also to provide for aged people where assessments are under appeal; and we will permit adjustments in the provisional grant where such are necessary as in the case of an appeal made under section 93 of the Act.

Motion agreed to; second reading of the bill.

THE DIVISION COURTS ACT

Hon. A. K. Roberts moves second reading of Bill No. 91, "An Act to amend The Division Courts Act."

He said: I think on the first reading I said I had some information concerning the principles of this bill, and it will go to the legal bills committee. I pointed out then that one of the purposes of this bill was to get the courts—that is, the territorial jurisdictions of the courts—clearly defined, and to have actions dealt with in those divisions, and to prevent the filing of default judgments in cases where a summons has been sent to another court for service.

Also, another quite important part of it is the expeditious method which it provides for the judge, under a supreme court or a county court judgment, to garnishee the wages of a judgment debtor in the division court.

These are the main points in the bill.

Motion agreed to; second reading of the bill.

THE INTERPRETATION ACT

Hon. Mr. Roberts moves second reading of Bill No. 92, "An Act to amend The Interpretation Act."

Motion agreed to; second reading of the bill.

THE DEPARTMENT OF HIGHWAYS ACT

Hon. J. N. Allan moves second reading of Bill No. 67, intituled, "The Department of Highways Act, 1957."

MR. OLIVER: May the House have some information on this bill? What is the purpose of this bill, anyway?

HON. MR. ALLAN: To establish The Department of Highways.

This is, as you know, a re-writing of The Highway Improvement Act, and this section of it was removed from The Highway Improvement Act and is made an Act by itself, which really establishes The Department of Highways.

MR. MacDONALD: Is it not a little late?

HON. MR. FROST: We thought we had better have one.

Motion agreed to; second reading of the bill.

THE HIGHWAY IMPROVEMENT ACT, 1957

Hon. Mr. Allan moves second reading of Bill No. 69, intituled "The Highway Improvement Act, 1957."

He said: Mr. Speaker, as I pointed out at the time of the introduction of this bill, it is the re-writing of The Highway Improvement Act. There are sections dealing with various King's highways, controlled access, and so on, and there is the regulation section. An effort has been made—and I am sure those who wrote it have been successful—in classifying certain procedures in connection with the purchase of land.

The one thing in the bill which deals with money expenditure is in section 22, and that is the connecting link for towns, villages and cities, whereby the width towards which the department will contribute has been increased from 33 feet to 48 feet.

There is one item, the last, in which, in the printing of the bill, there was an error, and that section is wrong in the bill. We will say now that we want to correct that at the time the bill is in committee.

Motion agreed to; second reading of the bill.

HON. L. M. FROST (Prime Minister): Mr. Speaker, in moving the adjournment of the House, I should say that tomorrow I propose that we recall the Throne debate. We are anxious to get a speech or two over with each day on that item. I would like to imagine that we would not be on the Throne

debate very long tomorrow—perhaps not more than one speaker.

I would like to follow that with estimates of the Provincial Treasurer, Provincial Auditor and Lieutenant-Governor. That, I imagine, is usually not a very heavy department in relation to estimates.

Following that there will be a budget debate. I think the hon. member for York South (Mr. MacDonald) speaks tomorrow, so I think we could cover that business tomorrow afternoon.

I might say, Mr. Speaker, that very possibly there will be a night session on Thursday, but I will let the House know tomorrow.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.00 of the clock p.m.

ERRATA

(February 22, 1957)

<i>Page</i>	<i>Column</i>	<i>Line</i>
554	2	17
554	2	20

Correction

"J. B. Christian, vice-president of the" should read:
 "Allan Ackman, vice-president of the"
 The letter in small type should read as follows:

For all the worried owners of homes, businesses and industries, and in particular for all members of the Wellesley-Bloor Ratepayers Association, I wish to thank you for your interest and support. For your information, I am enclosing copies of letters sent by our solicitor to the hon. W. M. Nickle, M.B.E., M.C., Q.C., Minister of Planning and Development, and to Lorne Cumming, chairman of the Ontario Municipal Board.

Yours very truly,

ALLAN ACKMAN

Vice-president, Wellesley-Bloor Ratepayers Association



Legislature of Ontario

Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, February 27, 1957

THE QUEEN'S PRINTER
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1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

WEDNESDAY, FEBRUARY 27, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

Report relating to the registration of births, marriages and deaths in the province of Ontario for the year ended December 31, 1956.

MR. SPEAKER: Introduction of bills.

Before the orders of the day, I would like to welcome to the assembly the pupils from Delta Public School of the city of Hamilton; from Givins Public School, Toronto; Swansea Public School, Swansea; and from the Thomas L. Kennedy High School at Cooksville, Ontario.

MR. M. B. DYMOND (Ontario): Mr. Speaker, before the orders of the day, I would rise on a point of privilege with respect to an article which appeared in the Toronto *Globe and Mail* this morning under the date line of February 26th:

Health Minister Martin said today he considered 5 provinces, including

Ontario, have accepted in principle the federal hospital insurance scheme.

In view of the fact that this is a matter of great interest and importance to all of us, I would like to direct a question to the hon. Prime Minister. I would like to ask the hon. Prime Minister if this report means that an agreement has been reached to the point that we are ready to proceed with the Ontario plan?

HON. L. M. FROST (Prime Minister): Mr. Speaker, the hon. member drew this to my attention before the commencement of today's sitting, and I have the statement here which appeared, as he states, in the *Globe and Mail* today. In the early edition of the *Globe and Mail* there was an additional paragraph which stated that Premier Stanfield of Nova Scotia had advised the hon. Paul Martin that he expected to have a report of a provincial committee studying the matter and that they will be giving an answer shortly.

As to that, I cannot say, but I think the gist of this statement is what the hon. member has read, to the effect that the hon. Mr. Martin said he considered that 5 provinces, including Ontario, have accepted in principle the federal hospital insurance scheme.

In answer to the question, there is no doubt about the agreement or acceptance in principle, for the Ontario proposal was drawn within the 4 corners of the federal proposal of 1956. In fact there is no variation, as I have said before in this House, to the extent of even a punctuation mark. The On-

tario proposal is drawn exactly and precisely within the statement of January 26th of a year ago, to which the Rt. hon. Mr. St. Laurent referred in the House of Commons on the same day.

Therefore, on the face of it, it is not otherwise than acceptable, and not otherwise than within the agreement, and therefore it is undoubtedly and unquestionably an acceptance, we say, not only in principle but in detail.

All that is now necessary is the written agreement in detail which we must have, as prudent people, before we enter into very vast commitments which are inherent in this scheme. The agreement in detail is necessary before the end of March, or certainly before the dissolution of Parliament, for reasons that I think are apparent to the hon. members of this House.

I would just reduce to a few words what I said on that subject before: the need for an early agreement in detail supplementing the agreement in principle, because I take it from hon. Mr. Martin's statement that clearly the Ontario plan is within the terms of the Ottawa offer, and I do not think any reasonable person could say otherwise.

Perhaps I might summarize the problem which faces us here from an administrative standpoint and, not only the desirability, but the necessity, of reducing this matter to an agreement within at least the coming month. First, the time element is of paramount importance. In my letter of last December 11th to Rt. hon. Louis St. Laurent, I referred to this point and stated that time was of the essence.

We set a tentative date, namely January 1, 1959, for the commencement of our hospital insurance programme. I say again that was a tentative date. In a subsequent letter to me, which is also tabled under date of January 22nd, Rt. hon. Mr. St. Laurent expressed the hope that some way might be found to advance the proposed starting date. But the agreement is, of

course, the first essential, it is the condition precedent, if I might use a lawyer's phrase, if we are to meet this deadline and most certainly if we are to better it. I am still not without hope that we might better it. However, any delay beyond the coming month of March in the matter of reaching a formal agreement would seriously jeopardize our target date.

As has already been indicated in the correspondence and documents, the Ontario hospital services commission, which is representative of the Ontario Hospital Association from a personnel standpoint, will have the full administration of the plan and the discretion and authority to carry it out.

The problems of expert staff and accommodation are very formidable indeed, and if we are to meet, and possibly better, the date of January 1, 1959, there, of course, should be no delay in reaching an agreement.

I think I have pointed out to my hon. friend the fact that an agreement in principle is one thing, but the final consummation of the agreement — which I am hopeful of arriving at very shortly — is another matter. This is what we are striving for at the present time.

The second point is this, that I recognize that in Ontario we have some very unique problems, not the least of which is that in the province we have at present nearly 4 million policies in force, a very large proportion of which are based upon employer and employee contracts. The integration of these into our programme is a very major operation.

We have not been wasting time, and already we have had discussions with some of the large underwriters.

Our plan is the one which the federal government itself advanced — that is, as regards coverage, which is very definitely set out in their proposal of January 26th of a year ago — and the basic coverage is limited to standard ward care.

Most of the private plans in effect have coverages extending in some particulars beyond the basic coverage to be

provided in the federal offer, as well as the Ontario plan which has been drawn within the 4 corners of the federal offer. These private contracts cover such things as medical and surgical benefits, private and semi-private accommodation, and, in some cases, protection against loss of income and other matters.

It is not only highly desirable, but essential, that these protections should not be lost, and I can assure the House that they will not be lost if the proper time and care be taken in administration.

From the beginning of April next we have only one year and 9 months to reach our target date. This is not a bit too much time to deal with the many thousands of employer-employee and individual plans in force in this province.

Thirdly, the Ontario plan meets the federal requirement of universal availability, and of course, to do this we have to provide for the indigent, and meet problems arising out of not only the social services but those to whom we technically refer as medically unfit.

For reasons of economy, as set out in the Ontario proposal, and as the hon. Provincial Treasurer (Mr. Porter) referred to in his budget statement, municipal participation in the care of patients is involved. At the same time we have announced general plans which will relieve not only the hospitals but our municipalities of the financial burden of providing care and treatment for hospitalized indigents.

Again however, and I point this out to the hon. member for Ontario, this requires early administrative consideration and action.

The fourth point, as I have pointed out in the Ottawa correspondence which has been tabled here, is the matter of administration which, of course, is of paramount importance. Our commission and its organization will assume a very formidable task — I think one of the most formidable administrative tasks that has ever been attempted in this province. In fact, I believe it is the largest task of its type that has ever

been attempted in Canada; and we, of course, must not set impossible conditions for them.

One of the primary requisites is that the commission must have the understanding and co-operation of every hospital, every hospital organization, the medical and nursing professions and, indeed, the great body of Ontario people who presently have a partial coverage against the incidence of sickness and hospital care through the millions of policies which are in force; and I think the organization, education and understanding should begin without delay.

May I, in conclusion, just say this, that we mean business. We think that the Ontario plan, which is drawn precisely within the 4 corners of the federal proposal of January a year ago, will take into account the problems, the mistakes — and everybody makes mistakes — and the experience of those who have already engaged in such plans. I am satisfied that with the personnel which we have already assembled, and with the expert people I know they will draw to their aid, we can give to this province a hospital plan which will be without parallel anywhere.

We mean business in this, and are anxious to have the formal agreement completed before the end of this coming month, and before the dissolution of Parliament, otherwise we are going to be thrown into the delays which will be occasioned by that.

MR. F. R. OLIVER (Leader of the Opposition): May I ask the hon. Prime Minister if he is prepared to put this matter before the health committee?

HON. MR. FROST: Yes.

MR. OLIVER: Will that be done quite soon?

HON. MR. FROST: In the correspondence tabled, the last item is a telegram from myself to the Rt. hon. Prime Minister of Canada, expressing, in accordance with his letter of a day or

two previously, our desire to proceed with these negotiations. I may say that those exchanges have been taking place. Our officials have been in consultation with their officers responsible. I have been in consultation with the hon. Mr. Martin. I believe there are some of the federal officials in this city today.

The point is that we have been concentrating on meeting those requirements. I see no reason why this matter should not go before the health committee at the earliest date; but, frankly, I have been hopeful that we would be able to present to the committee a finished job in the form of an agreement signed by both parties.

I am always optimistic, and I think that will come about.

MR. J. J. WINTERMEYER (Waterloo North): Will the hon. Prime Minister permit another question in this connection?

I believe that every hon. member in this House has a great deal of sympathy for what the hon. Prime Minister has just said. Obviously this is a tremendous task, and an enormous amount of work has to be done.

There is one question, however, on which I would like to be advised, and that is whether or not I am correct in a certain inference which I have drawn from the correspondence that was tabled in the House at the outset of this session. That correspondence suggested to me that the Rt. hon. Prime Minister of Canada was saying that, whereas this term "universal availability" had been used and agreed upon, it seemed that he wished it had not been used as it was. The fact is that it was used, and as I read the correspondence, he said, as I remember, that the term has to be interpreted in letter as well as in fact—if I recall his specific language.

I infer, from that, what he meant was that merely making a plan available to everybody is not what the federal government had in mind, when the original negotiations started, but they were quite willing to admit to this government that

a certain term had been used—"universal availability"—and were prepared to accept some undertaking from the hon. Prime Minister of Ontario that he would within a specified period of time make the coverage mandatory, or compulsory. My reading of the correspondence suggests that was the essence of the whole problem. The hon. Prime Minister says that an agreement has been reached in principle, but that the actual contract must still be drawn up.

Specifically, my question is this: In the contract, is the provincial government prepared to give the federal government an assurance that, within a specified period of time, the coverage will become mandatory; or, in the alternative, is this government prepared to commit itself in the contract to an undertaking that the decision will be made before the commission without interference from any person?

I may be wrong in this. It is entirely my own judgment on the matter of the correspondence; but it seems to me that it is the heart of the problem. I would hesitate to make any suggestion on my part, but the inference left in my mind is that, if the Ontario government would give that undertaking, we could have a contract within the next day or two.

HON. MR. FROST: Mr. Speaker, the federal proposal of January 26, 1956, was not something which was arrived at on the spur of the moment, and I can assure the hon. member that it does not contain expressions which are "off the cuff" in any way. I do not think there could possibly be any regret on the part of the Rt. hon. Prime Minister of Canada—although I have no licence to speak for him in any way—that he regrets the use of this expression.

I think the meaning of "universal availability" is crystal clear. It is as transparent as the glass through which hon. members look upon the broad expanse of the park around this House.

We did as was indicated in the correspondence, of course, take very strong objection to the placing of an interpreta-

tion on the meaning of those words which is not within their customary meaning. Those words are very well known in the English language. "Universal availability" does not lend itself to an interpretation to mean other than what the words mean; and I can say that those words were not placed there on the spur of the moment.

In further answer to the hon. member, I point out that our answer to that question is clearly in the offer—the proposal that Ontario placed before Canada last November; actually our discussions started on November 2nd last.

The Ontario proposal goes beyond the conditions imposed by the offer made by Canada. I am glad that the hon. member for Waterloo North nods his consent, because that is so. We go beyond the call of the requirements of duty, beyond the necessities of acceptance of that proposal. I would say that mandatory coverage is a matter of what is feasible from an administrative standpoint.

At no time in our offer of last year have we said that the coverage at any time would be universally mandatory, because it is recognized by anybody who has had anything to do with the problem that such a requirement is clearly an impossibility. But what we have said is that this matter would be made mandatory if the commission—our agency running it—found in time it was feasible to make it mandatory, in the sense that a prudent and reasonable man would define the term "mandatory."

It is our purpose to vest the commission with the authority and the discretion to decide. This is a great business matter, one of the greatest and most formidable ever to be undertaken in this province, and it is my intention to take it out of politics and to place it in the hands of the commission. I can say that the commission will have the discretion to make it mandatory and to press for the fullest possible coverage which is necessary from an insurance standpoint just as soon as it can possibly be done.

I have no intention of going into any commitments which would tie the hands

of this commission, which would impose conditions which are impossible of attainment, or which would lead to uneconomic administration of this matter in such a way as to cause the consequences of any form of inefficiency, to be passed on to the policyholders. I have no intention of doing that.

I would say that the answer is clearly within the correspondence and in the written offer which has been tabled. The answer is there, and I am satisfied that if the hon. member for Waterloo North reads the material carefully he will be satisfied that the proposals we make go beyond—far beyond—the conditions in the federal offer which are contained, or imposed, in the first instance. I am satisfied the hon. member will agree that this is an evidence of good faith upon which it is not necessary for me to elaborate further.

HON. P. T. KELLY (Minister of Mines): Mr. Speaker, before the orders of the day, I thought it well to draw to the attention of the House a report of The Ontario Department of Mines for the year 1956. Some of the things which I would like to mention are:

First, only two months have gone now of the year 1957, and the staff in this department has been able to produce this report for the benefit of the hon. members of the House, in spite of the short period of time. I would like to express my thanks both to all those who have worked on the report and to the personnel of my department.

The second point I would like to draw to the attention of the hon. members is that, in 1956, we reached an all-time high in the production of minerals; \$650 million—\$130 for every man, woman and child in this province.

With this expansion in the mining industry, a short pertinent point is that in the uranium fields alone, in Ontario, in the past year and a half we invested a capital of over \$200 million.

All of these figures are very important to this province. If hon. members will refer to page 46 of the report in

front of them, they will see what it means to the consolidated revenue funds of this province to be operating a Department of Mines.

MR. D. C. MacDONALD (York South): Mr. Speaker, this may be an appropriate point at which to ask the hon. Prime Minister this question. I think the hon. Minister of Mines is to be congratulated in the fact that a report of the year's activity has come out within two months. I wonder if it is not possible for that kind of thing to be emulated by other departments instead of getting reports, as is the general practice, a full year after the fiscal year concludes? I think that is why we are, in terms of public discussion, usually dealing with out-of-date facts. Is it not possible for other departments to do as the hon. Minister of Mines has done, now that the hon. Minister and his energetic group have led the way?

HON. MR. FROST: I will be glad to have the hon. Minister of Mines consult with the other departments.

ADDRESS IN REPLY TO SPEECH FROM THE THRONE

HON. A. KELSO ROBERTS (Attorney-General): Mr. Speaker, in rising to speak in this debate, I would like, first of all, to join with those who have already preceded me in extending to you my congratulations on your resumption of the office of presiding officer of this assembly. You have done a very excellent job to date, and will, I know, continue in that position to do so during the tenure of your office.

And may I, also, congratulate the hon. mover and seconder of the address, the resolution of which is now under debate, and without presuming to move into the budget debate, I would like to take this opportunity of congratulating the hon. Provincial Treasurer (Mr. Porter) for the very masterly presentation of the intricacies and the profusion of the budget.

Mr. Speaker, it is with great regret we mourn in this assembly the passing of two of our hon. members.

The hon. member for York West, the late Mr. Elmer Brandon, was known as a very painstaking and thoroughly industrious member of this assembly, and a member of many committees. I can attest to his diligence, and I know, and every hon. member in this House realizes, the extent of his contribution to municipal affairs, by virtue of the very considerable experience he had in that field. He died very suddenly, as did the hon. member for Middlesex North, the late "Tom" Patrick.

Mr. Patrick was elected into this Legislature in 1943, the same time as I was. He sat continuously in the Legislature since that time until the date of his death. He was an expert on farm matters, particularly in relation to cattle breeding and judging, and was a well-known figure in many of the fairs of this province, and well beyond its confines. Mr. Speaker, we mourn, all of us, the passing of these two distinguished former members of this Legislature.

I would like to draw the attention of the House to a sentence that appears in the speech from the Throne, with which I am going to deal this afternoon, and it is the only subject with which I am going to deal:

Measures made on highway safety are being extended: The number of local safety councils has been increased while special traffic clinics have been established in association with many of the magistrates' courts. Various means are being co-ordinated through a broad plan of traffic safety in schools, courts, industry and in the community, generally.

This subject has been touched on by hon. speakers who have preceded me in this debate. The need for greater and greater precaution to bring about more safety has already been emphasized.

I propose for a few minutes to review this very grave problem, and I know that when the standing committee appointed by this House a few days ago sits to

deal with these problems in detail, it will go about its duties with an earnest desire to accomplish lasting results. In that it can rest assured of my heartiest co-operation and support.

Mr. Speaker, in World War I, 1914 to 1918, Canadian soldiers engaged in combat throughout the war suffered heavy casualties — no less than 50,334 were killed or died as a result of being on active service, and no less than 152,779 were wounded, suffering disabilities, some of them of very grave consequences and some of lesser and temporary natures.

The United States of America, which was engaged in World War I for only a fraction of the period of time in which Canadian troops were joined in battle, from April 1917 until November 1918, for the most part, suffered casualties to the extent of 53,407 killed in battle and 63,156 deaths, other than battle deaths, for a total of 116,563 dead and 204,002 wounded.

In World War II, Canada was again a participant from the commencement of hostilities, but as a result of conditions over which it had no control, its troops were not actively engaged in combat with the enemy for nearly as long a period as in World War I. Nevertheless, no less than 42,043 were killed (30,000 in battle—8,300 less than in World War I), and 53,145 wounded in World War II, almost 100,000 less than in World War I.

The Americans, who as you know, were forced into World War II as a result of the attack by Japan on the United States on December 7, 1941, two years and three months after the outbreak of World War II. After its entry, it engaged with great vigour and in the period between 3 and 4 years of combat activities, 293,986 were killed in battle and 113,814 other deaths for a total of 407,828 dead and 670,843 wounded.

In the period from 1946 to 1955, inclusive, the number of people killed in Canada as a result of motor vehicle operations amounted to 21,116 and the

number injured to 461,213. During the same period in the United States of America, the number of killed amounted to 352,500 and the number of injured amounted to 12,350,000.

Hon. members will see at a glance that in the 10 years following the end of World War II until the end of 1955, the number of people killed in the United States (352,500), together with those killed in 1956 estimated at 40,000, came within 7,500 of the World War II Honour Roll of 407,828 dead. The number injured by motor vehicles in the United States exceeded the number wounded in World War II by 20 to 1.

In Canada the motor vehicle deaths were about one-half the number killed in World War II, but the number injured on the roads exceeded the number wounded in World War II by 9 to 1 (461,213 against 53,145).

I have said many times, and I repeat here today, there is no such thing as a respecter of persons when it comes to the determination of victims on the highway.

Throughout the period of World War I and again throughout the period of World War II, all people everywhere, in Canada and in the United States, for that matter in all countries engaged in war, knew that they were confronted with a life-and-death struggle and all put forth the greatest possible effort to bring about a satisfactory end to that struggle.

In time of peace, by reason of all the other diverse interests we are engaged in, it is not perhaps so easy to understand what a deadly peril exists on the highways, and consequently it is not as easy to muster public opinion continuously in an effort to destroy this menace as is the case in time of actual war.

The menace, however, from the figures I have just given, is certainly a comparable one so far as the life, comfort and the right to live peaceably, and without risk of serious injury, is concerned with respect to every one

of our respective families. Yet, Mr. Speaker, if this slaughter is permitted to continue unabated, it will affect the close family circle of practically everybody living on the North American continent.

As I look around this Legislative Assembly I can at random bring home, to quite a number of hon. members, tragedies or mishaps within their own family circles.

I look across to the seat of the hon. member for Bracondale (Mr. A. Frost) and I recall that grief suddenly and unexpectedly came into his heart a few months ago.

To my left I recall the very painful accident resulting in quite a long period of incapacity to the hon. member for Lanark (Mr. Doucett) which occurred when he was hon. Minister of Highways; and I look towards the seat of the present hon. Minister of Highways (Mr. Allan) and I think of how he was hospitalized and his wife even today, despite her stately appearance, carries with her the serious after-effects of a highway accident.

Incidentally, I may say that both these gentlemen informed me that, had they been using safety belts at the time of their respective accidents, it is quite possible the injuries would have been very much less.

The hon. Prime Minister's (Mr. Frost's) nephew, working on a summer construction job, was struck down and hospitalized for nearly a year.

When I look towards the seat of the hon. Minister of Education (Mr. Dunlop), I know that he has in hospital at this time a very dear relative seriously injured in a traffic accident. I look again to my left and I think of the tragic accident in the Muskoka area which deprived the hon. member for Huron-Bruce (Mr. Hanna) and his wife of their only child as he approached the threshold of what might well have been a great career.

The hon. member for Elgin and former Minister of Agriculture (Mr. Thomas), and probably many other hon.

members, know from personal experience what long and painful ailments and incapacity can flow from the contacts of metal with metal as a result of a moment's error or misjudgment.

On the first of November, 1955, a safety drive was launched, to be of 12 months' duration. It got off to a reasonably good start. The first two months showed considerable improvement in the number of fatalities over corresponding previous periods.

I think it can be said throughout the entire 12-month period the momentum was maintained at a satisfactory tempo. More than one million vehicles were checked by the Ontario provincial police. An unprecedentedly large number of warnings, 283,000, were given in the 12-month period and slightly less than half that number of charges were laid. This, from an enforcement standpoint, was an effort to rationalize this driving hazard problem. This had to be done with a limited number of uniformed police and a limited number of vehicles.

That number has been increased by 10 or 15 per cent. since that drive commenced, and it is a matter of hope, if this House deals with my Estimates in a kindly fashion, there will be, definitely, further increases of a substantial nature in the number of forces to cope with this situation; that is highway patrol, particularly, and, also, there will be better inducement for the junior constables to take up this type of work as a life occupation.

But, while we made some gains so far as the roads under the supervision of the Ontario provincial police were concerned during that 12-month period which ended on October 31, 1956, I am very unhappy to be obliged to inform hon. members that, for November and December, 1956, the number of fatalities on those roads increased substantially over the corresponding period during the first two months of the drive.

I have some figures on that, and I would like to give them to the House at this time.

The figures for January, 1957, leave plenty of room for improvement also,

although I am glad to say the February figures show some improvement. I have here the figures for the first 3 months of the drive, November and December, 1955, and January, 1956: the deaths were 145 against 186 in the corresponding period of the previous year. However, in November 1956, December 1956 and January 1957, the deaths were 221, or 52.4 per cent. greater for those 3 months ending last January than they were for the first 3 months of the drive.

I am glad to say in February 1957 to date the deaths are 39 against 51 in February 1956.

The injuries in the first 3 months of the drive were 2,119, against 2,274 in the corresponding 3 months of the year before, or a decrease of 6.8 per cent.; but the injuries in November and December 1956 and January 1957 soared to 2,640, or a 24.6 per cent. increase. Hon. members will see that there is nothing to be very satisfied about in the situation as it is at the moment.

I have a breakdown here in front of me of the 807 fatalities which occurred in 1956 on the roads under the supervision of the Ontario provincial police. There were some 300 additional deaths on other roads in the province, but I want to point out that of the 807 deaths, 353, which is just a little less than 50 per cent., were able-bodied men and women between the ages of 15 and 34, at the very prime of their lives. Many victims were students. Sometimes the cause—not, of course, confined to students—or at least a contributing cause, was liquor. If I were to be facetious for a moment when discussing this very serious subject, I might tell of a fellow student producing an epitaph for one who had met a sudden end on the highway:

Weep a bit
For E. Z. Lott,
He was lit,
His lights were not.

Of the 353 people, more than 40 per cent. of them died in collisions with other motor vehicles, but no less than

86 of them died in collisions in which no other car or obstacle, other than the car in which they rode, was involved. Approximately 8 per cent. of them died at level crossing collisions with trains.

I would like just for a moment to deal again with one or two illustrations of actualities in connection with this sort of thing, to point up what is going on. I have in my hand police reports with respect to two fatalities of very recent occurrence, during this month.

One is in the Welland area: an 11-year-old boy on February 13th—that is, two weeks ago—went home from school at 4 four o'clock, joined his friend, then they went and picked up their newspapers for their paper route, finished their delivery at 6 o'clock, rode their bicycles towards their homes, and the lad was struck. Although this boy was on the road just as correctly, and had just as much right to be where he was as anyone else, he was struck and killed.

The other is from the county of Simcoe, about one week ago: a 15-year-old girl descended from a school bus, which was properly stopped on the side of the road in order to let off pupils. She walked around the back of the bus, which was close to a railway crossing, and was struck by a car coming in the opposite direction.

That may point up very clearly the wisdom, or otherwise, of taking precautions beyond the stopping of cars, going with the school buses, to cars in both directions. At any rate, here is a 15-year-old child killed a week ago in the county of Simcoe as the result of a mishap of that sort.

The third accident I would like to mention involves a constable of the Ontario provincial police from the Niagara Falls district, who, 3 months ago, was struck down by a motorist while doing his duty on the road, at a fire. This man is in hospital, very grievously injured, and is not expected to be able to return to duty for a further 6 months.

There are some 7,500 hospital beds in the metropolitan Toronto area. As a result of traffic accidents, many of these

beds are occupied from time to time by traffic casualties. I had a run-down recently of hospitals and I am rather pleased to be able to tell hon. members that just a few days ago the occupancy of beds by motor vehicle accident patients was not too heavy, but there were quite a number of traffic casualties in the Sick Children's Hospital, and in Toronto Western. Something like 25 per cent. of the beds of the Orthopaedic Hospital also were occupied by highway casualties. I am sure that if any hon. member would check the hospitals in his own riding at any given time, he would find an equally distressing situation, all of which goes to show that this is a constant problem with us at all times.

I am not going to attempt today to analyze the different types of drivers of motor vehicles; they are too numerous for analysis. But I would like to say that it is pretty conclusively admitted that a brow-beaten man at home will show vicious and unreasonable reactions to power at the wheel of a motor vehicle—that is why I have to be very careful when I take the wheel myself.

The Department of Highways has sought, and is seeking, to grapple with this problem. I know that the hon. Minister of Highways will enlighten the House on this. The hon. Minister of Education will no doubt have something to say about what his department is doing.

My department has a small but well co-ordinated staff devoting most of its time to the study of the problem, correlating information, keeping track of what seminars and courses are going on across the length and breadth of the continent, and making arrangements for representation by magistrates and other experts, and persons charged with enforcement including police officers, to get the benefit from time to time of all this work. My staff gathers in much information, processes it, and keeps abreast of the situation with statistical study.

Mr. E. H. Silk, Q.C., is giving excellent leadership to this staff, and at the present time is working hard on the

organization of traffic court clinics both as an aid to enforcement and to promote better driving habits of those making use of these facilities.

Several of these clinics have been set up. Progress is being reported in Welland, metropolitan Toronto, Newmarket, Brantford, Georgetown, Barrie, Orillia, Carleton County and Ottawa, and it is hoped that many more will be set up in the near future.

Hon. members will hear more about the uniform traffic ticket procedure, which we hope will be authorized and made use of, both for the purpose of facilitating and expediting enforcement, and improving traffic court procedure while giving much more prompt and clearer information to all alleged violators of the type of offence covered by that ticket.

It has been the experience in other jurisdictions, where it has been made use of, that it certainly tends to reduce the incidence of accidents. Many fine suggestions have been received by the department and considered either in conjunction with the enforcement agency or passed on to other departments more concerned with the subject matter of such correspondence.

I have said publicly on several occasions that there ought to be more local safety councils throughout the province. There are only some 32 at the present time. Some of these safety councils are doing an excellent job, and their work is reflected in good accident prevention figures in their areas.

May I mention this morning's edition of the *Toronto Globe and Mail*, when Oakville was given its due and just recognition as a town where they had gone 1,937 days without a fatality within the confines of that town, and I would say that Reid Forsee, as chairman of that local safety council, Chief Constable Brown, Constable Hooks and many excellent sponsors through their service clubs are contributing greatly to the work of safety in that area, and I am sure we all hope they will reach the 2,000 mark and go well beyond it.

Mr. Speaker, I refer to other places, including Guelph, Burlington, Peterborough, Woodstock, Niagara Falls, Nipissing and other places where the record shows what can be done. Peterborough, particularly, has done a wonderfully good job.

But we are only scratching the surface of this problem, and until we get right at the heart and soul of it, the slaughter, the maiming, the visitations of grief and suffering to families in every walk of life will continue daily, with no exceptions for Sundays, across the length and breadth of this fair province.

One of the greatest historians of our time, dealing with the subject of religion from an historian's approach, makes the statement that the worship of nature is still alive. He points out that although man won a decisive victory in the Upper Palaeolithic age against the non-human nature, that is the animal and reptile enemies, which he says is only half, and at that the less formidable half, of nature with which man is confronted. He asserts that the other half of nature with which man still has to cope is nature as he finds her within himself.

I could not help feeling, as I read his latest work, that the automobile age may be bringing in anew, or once again, something akin to what was known as the Moloch worship, that is to say, the exacting from worshippers of an ever-increasing toll of blood. Hon. members will recall that there were periods in history when, as part of a religion, the offering up of the first-born, the fruits of one's body for the sins of one's soul, was considered proper, and then gradually that human sacrifice was supplanted by animal sacrifices.

I wonder whether, just as the nudists and the sun worshippers practise their cult, the automobilists are not now developing a new cult, steadily and with deadly determined effect carving out the practice of a new cult or religion of death and destruction.

In Carthage, about 300 B.C., when the city was menaced by invasion, the oligarchs of Carthage sacrificed no less

than 200 of the children chosen from the best families in the city in order to hold off a threatened invasion. In 1956, Ontario sacrificed nearly as many of her children, not en masse, but one by one in each of the 12 months of the year, in order that her drivers of motor cars and trucks could continue to drive at 30 miles an hour in a 30-mile zone or 50 miles an hour in a 50-mile zone, and as long as they did that then the mental reaction or lack of reaction in the child about to die was of no consequence.

I pause for a moment to give an illustration of that which occurred in the riding of St. David in the Regent Park section, and may I say thank Providence they are cleaning up that place, because when I went down there and saw Wyatt Avenue the other day, all I can say is, thank goodness there is a Regent Park development going on in that section of the city.

Just two weeks ago, at 12 noon on Saturday, a little child, 5-and-a-half years old, the eldest of 4 of a German family who came out to this country 5 years ago, was playing with a home-made sled. He was on an icy sidewalk on a very narrow street with houses built right up to the edge of both sides. A coal truck parked on River Street, for some reason — and I do not want to cast undue reflection on anyone—backed up River Street and onto Wyatt Avenue and killed this 5-and-a-half year old little boy.

May I repeat, when I think of that type of driving and that type of sudden death to children, particularly, it brings to mind the statement: "The other half of nature, with which man still has to cope, is nature as he finds her within himself."

It is that approach, as I see it, that is now necessary to make real inroads into these baffling and entirely unjustifiable figures, mounting figures, of death and destruction.

Mr. Speaker, I have given hon. members of this House some figures, I have endeavoured to point out some of the ways in which my own department is tackling the problem and above all, I

have tried to paint in as realistic a manner as I am capable, the picture of what is going on around us all the time.

I have in front of me reports of the Ontario provincial police, and I merely raise them in order that hon. members may see what 807 reports of death look like when they come to one's desk, sometimes 3, 4 or 5 at a time. One or more of these appear every day, sometimes there is quite a pile of them, and I can assure the House that it is not only a sobering experience but a very sad experience to look over these reports regularly, particularly those which relate to our youth and children.

After doing that over the past 15 months, I think I know what I am talking about at this moment, and I cannot be too emphatic about this problem.

In concluding my remarks, Mr. Speaker, I am going to be very forthright about it:

First of all, I say to myself, as Attorney-General, "You are not doing enough in grappling with this problem." I say to the hon. Minister of Highways, "despite all your good efforts, you are not doing enough in grappling with this problem." I say to the hon. Minister of Education that "despite all you are doing, you are not doing enough to grapple with this problem." I say to the mayors and reeves of Ontario, and some of them have done a wonderful job: "None of you are doing enough."

I say to every citizen in Ontario: "Go and take a look at yourself in the mirror, whether you are a driver of a motor vehicle, or a pedestrian, and be honest with yourself. You are not doing enough to bring about an accumulative successful solution of this problem."

I say to the heads of the motor industry on this continent: "You who are responsible through your product for much of what is going on, you are shirking your duties. Innocent blood is being shed daily for which you have your fair share of responsibility."

Mr. Speaker, it is high time all of us recognized the problem and shared the responsibility for obtaining a solution.

To all the hon. members of this standing committee on highway safety, let me conclude my remarks by saying that we have a great responsibility and a big job ahead of us.

As I have introduced an innovation here today in the matter of consulting my notes, we could perhaps originate and innovate in the committee ways and means of finding a solution to this problem.

HON. MR. GRIESINGER (Minister of Public Works): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

HON. MR. FROST: Mr. Speaker, I move you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. Janes in the chair.

ESTIMATES, OFFICE OF LIEUTENANT-GOVERNOR

MR. W. J. STEWART (Parkdale): Mr. Chairman, I would like to say a word on this vote. With our rapidly expanding economy and rapidly increasing population, there is a marked contrast to the days of the depression when everyone had to economize and The Ontario Government House was disposed of.

Today, we have prosperity on every hand, and countless newcomers to our land, and we hope they may treasure the best of their traditions and cultures.

But we as Canadians should dedicate ourselves to preserve and hold high our traditions, which are so splendidly symbolized by the Crown and the Throne of the Empire. The Crown so graciously worn by Her Majesty, our Queen, is the embodiment of the noblest ideals of progress, human welfare, human betterment, freedom and democracy. I would like to ask now,

why not prepare for the proposed visit of Her Majesty, our Queen, to our country?

I would like to address a remark to the hon. Prime Minister (Mr. Frost) of this province and say that the government now consider providing a Government House, and provide a suitable house for the Lieutenant-Governor, the representative of Her Majesty. I would go further. I believe we, as a Legislature, should provide a suitable house for the hon. Prime Minister of this province.

In the days of a former government, when they were economizing, in the dark 30's, they moved the Lieutenant-Governor into the apartments occupied then by the Speaker. In the last few years, we have extended the number of hon. representatives in this House and consequently there are increased demands upon the hon. Speaker's quarters, and I think with the establishment of a Government House, the hon. Speaker should move back into the former quarters.

In conclusion, notwithstanding the severance of the silken cords which bind us in free and willing partnership with the mother land, I firmly believe there are enough people in this land, this Canada, this Ontario, to treasure and hold high British ideals, British traditions and British customs, to exemplify our pride in our Canadian citizenship, by having a suitable residence for the Lieutenant-Governor of this province.

Notwithstanding some remarks we hear in a disturbed world today, I am one of millions of people who believe that there will always be an England.

HON. L. M. FROST (Prime Minister): Mr. Speaker, first of all I want to say in connection with the residence of the Prime Minister that it is not necessary as long as I am here, because my home is in Lindsay and that is quite satisfactory.

I might say with regard to the Lieutenant - Governor's residence, I must admit it is a very difficult situa-

tion for this province today. In the last few days, we have been visited by His Excellency the Governor-General of Canada who takes up his residence in a car in the station yards, and that is hardly in keeping with a province such as this. On the other hand, the former Lieutenant-Governor's residence was given away; it was given to the Hospital for Sick Children which in turn made some deal with the federal government, and I think the federal government would like—

MR. NIXON: Would be delighted to give it back to you.

HON. MR. FROST: That is the point; it has been used for a hospital or institution for so long that it is a formidable matter now to do anything with it. It is a formidable matter now to provide a residence that is in keeping with the dignity of that office. I point out to the hon. members of the opposition that we are hard up despite the very expansive explanations given yesterday by the financial critic of the opposition. The matter of financing is difficult in this province.

Furnishings are also a formidable item, furnishings of a house of that sort, in keeping with what would be required for the province of Ontario. The opposition had a sale and virtually gave away for just a mere pittance the fine furnishings which had been accumulating in the house since the days of Governor Simcoe, all the fine antique furniture which went with this province since its beginning. Things associated with its governors and with the province were sold recklessly under the auctioneer's hammer. That is a deplorable thing and we have to suffer under that to this day.

I am hopeful that some of these days some good friends of this province will perhaps rectify the errors in policy in administration in the days preceding this administration.

MR. MacDONALD: Perhaps Mr. E. P. Taylor would buy it and give it back.

HON. MR. FROST: Of course, I am not mentioning any names at all, but I am just hopeful that some day some great citizen will look after the requirements of the province in that regard.

Vote 1,001 agreed to.

ESTIMATES, OFFICE OF THE PROVINCIAL AUDITOR

Vote 1,501 agreed to.

ESTIMATES, DEPARTMENT OF THE PROVINCIAL TREASURER

MR. J. J. WINTERMEYER (Waterloo North): Mr. Chairman, is this the proper time to ask questions or is the hon. Provincial Treasurer going to make some explanation?

HON. DANA PORTER (Provincial Treasurer): Well, I have no particular explanation, but I welcome any questions which may be asked.

MR. WINTERMEYER: The first question I would like to direct to the hon. Provincial Treasurer is with regard to the superannuation fund. I realize this is the civil service superannuation fund, it is not the teachers' superannuation fund to which reference was made in the budget.

My question is this: Has the hon. Provincial Treasurer given any consideration as to whether or not this particular fund is likewise in need of adjustment as was the teachers' fund?

HON. MR. PORTER: There will be another actuarial survey on the public service fund in the light of various changes and classifications in salary which have taken place in the last few years. We will do whatever is necessary when we have that information. But, of course, with this fund the employees and the government pay equal amounts. The teachers' fund—that was 6 per cent. by

the teachers and 4 per cent. by the province up until the bill before the Legislature was passed; so that fund, naturally, would get behind. It may be that this fund is in fair shape.

MR. R. WHICHER (Bruce): I would like to ask the hon. Provincial Treasurer about the premiums on the fidelity bonds. They are \$23,000. Are they given to one insurance company, or bonding company, or are there numerous ones? And, secondly, I would like—

HON. MR. PORTER: One question at a time, please.

MR. WHICHER: The premium on the fidelity bonds.

HON. MR. PORTER: The Fidelity Insurance Company; but they reinsure under 4 other companies.

MR. WHICHER: Is it all under one agent?

HON. MR. PORTER: It is direct with the company.

MR. P. MANLEY (Stormont): I would like to ask a question on 2,101, historical sites and monuments. I note that in the estimates for The Department of Travel and Publicity there is the same item.

Would the hon. Provincial Treasurer be kind enough to tell us why there is an item for historical sites both in his department and in The Department of Travel and Publicity?

HON. MR. PORTER: This is, perhaps, not quite the same as the item in the other department. For instance, with this grant we are paying towards the Indian burial ground located in Scarborough. That is the grant which we agreed to make to the township, and will be paid out of this appropriation.

MR. OLIVER: Is that the only thing the hon. Provincial Treasurer pays out of that appropriation?

HON. MR. PORTER: We used it last year to pay the expenses of the holders of the Victoria Cross who went to Great Britain, as hon. members will remember.

MR. OLIVER: And their celebrations there?

HON. MR. PORTER: This was a convenient item under which to put it.

MR. OLIVER: What celebration is expected this year?

HON. MR. PORTER: Well, I am looking forward to a celebration after the budget is passed, I can assure you; but I do not think this item would cover that.

MR. NIXON: The hon. Provincial Treasurer is not expecting a celebration after the federal election, is he?

HON. MR. PORTER: We might have to ask hon. members to increase this amount for that purpose.

MR. MANLEY: I heard the hon. Provincial Treasurer mention that this was for burial grounds in connection with Indians, and would ask the hon. Prime Minister about a burial ground in my own part of the district, in my own county, and it is to me a very important burial ground owing to the fact that the first Premier of this province is buried there, and also a man by the name of Mr. Simon Fraser, a great explorer and fur trader of Canada.

I would like to know if that is going to come under the hon. Prime Minister's department or if the hon. Provincial Treasurer could tell me what has actually been done in that regard, or if it is the intention of any of the departments of the government to do something in regard to this particular burial ground, and to establish it as an historical site in the province of Ontario?

HON. L. M. FROST (Prime Minister): Mr. Chairman, I was probably responsible for having that put there during my occupancy of the Ministry.

In response to the hon. member's question concerning the old burial ground at St. Andrew's, I visited it myself, and I was very much impressed with the grave of John Sandfield Macdonald and also of that very famous man in early Canadian history, or not so early, Simon Fraser, the explorer of the northwest and the Fraser River.

I may say that it is pretty well impossible for the government to embark on the setting aside of those particular places and providing for their maintenance from provincial funds, desirable as it may be. I think those things really have to be left to municipal and local effort, for reasons that are very obvious. If we can encourage our local communities to mark these places, to preserve them from the standpoint of community interest and loyalty, that is the best way to do it.

The marking of sites, which will come up in the estimates of the hon. Minister of Travel and Publicity, was a matter which we developed from the experience of some of the American states. They have done a very fine job in that respect. We are hopeful. That is a rather inexpensive method of marking these sites, and I think that the hon. member for York South (Mr. MacDonald), who has a sense of history, would agree that interest will develop a sense of history in people. We are hopeful of developing that. That is an inexpensive way, but, nevertheless, a very practical one of marking these sites.

In Scarborough it was rather an unusual situation in that I think the hon. Provincial Treasurer agreed to donate a piece of land, or something of that sort, because it seemed to be one of those cases where, perhaps, it was desirable to step in to prevent the use of that land for purely commercial uses; but we did not want to create a precedent by doing it.

From this estimate comes the amount that we are presently paying to the Champlain Society—was that from this? Well, in any event, there is an amount which we are paying to the Champlain Society. I am advised that it is not

under this item, but it will come up in Education.

But we are trying to develop the raking up of certain original documents and records which will preserve, for people coming after, some of the early records and history of this province, which are, perhaps, presently not too well known. We will make that available through a series of works for students and others in days after who will be interested in that subject.

There are presently 3 volumes under way, and my recollection is that we agreed with the Champlain Society, which is under the general direction of Dr. Stuart Wallace, on an amount of \$5,000 a year, which I think is a very modest sum. I hope that the volumes will meet the criticisms of the historically minded in this province, which includes the hon. member for York South.

It is a difficult matter to embark upon. I hope it will be considered as being of value and interest to our people.

MR. MANLEY: Mr. Chairman, it is all very well for the hon. Prime Minister to say to this House that this should be of a great deal of interest to the people locally and that they should do something about it. But I still think there is a responsibility on the part of the province of Ontario, because here was a man who certainly did a great deal not only in the province of Ontario but in the Dominion of Canada. Surely, if the local people have any responsibility upon them to do something in that particular regard and in that particular burial ground, then I think there is equally, or even more, a responsibility on the government to do something for them and to aid them in some way.

HON. MR. FROST: I would point out to the hon. member that if we are going to mark the resting places of the Prime Ministers of Ontario that is not a very great job, because there have only been 15 of them to date. But there are very many thousands of other sites in Ontario, which might be created as

places that could be suitably marked, and I would point out that it is a very great task to embark upon.

Many people would feel that matters of historical interest should be limited to a far narrower class than has been mentioned.

MR. D. C. MacDONALD (York South): There are two points that seem to emerge from the comments of the hon. Prime Minister in this discussion so far. One of them is that I am a little curious to know how he makes a distinction between those which are to be left to the local areas to commemorate, and the others which the government will commemorate.

HON. MR. FROST: We have not marked any.

MR. MacDONALD: The government has not assumed any?

HON. MR. FROST: We have not assumed any.

MR. MacDONALD: None at all? These plaques—

HON. MR. FROST: The plaques—that is a different matter. We might do that, for I have no doubt that it will be done and that the little cemetery at St. Andrew's, which is somewhat north, I believe, of Cornwall, will have one of these historic plaques. On the plaque will be stated: "In this cemetery is buried John Sandfield Macdonald, one of the fathers of Confederation, and Simon Fraser, the explorer of the northwest." That will be marked.

But the hon. member will recognize that it does not carry with it the maintenance of the cemetery.

There are so many places of that sort. We have had a request—and I think a very proper one—from metropolitan Toronto to mark the end of the old Lake Simcoe portage where Brulé undoubtedly came early in 1600 and discovered Toronto, or the site of Toronto.

These things will be marked, but they do not carry with them the maintenance of the site.

MR. MANLEY: May I take it from the remarks of the hon. Prime Minister that there will be a new plaque on the Simcoe portage?

HON. MR. FROST: I can say that is right—similar to the one next to the east door of the buildings.

MR. MacDONALD: To come to my second point. I wish to raise the question of where the grants are coming from, because a little tidying up may be in order. This is being done in bits and pieces, with an estimate in this department and an estimate in Travel and Publicity, and, if I overheard a whisper correctly, there is one in Education, and another in the Champlain Society, covered by The Department of Economics. This has received the highway reserve fund treatment—with many sources of revenue to cover essentially the same matter.

I suggest that it be tidied up and that it should be dealt with in the one department. I think that is a suggestion which might be looked into.

MR. WHICHER: Mr. Chairman, I would like to ask the hon. Provincial Treasurer a question with regard to item No. 9, miscellaneous grants. There is an item there for the Canadian Thoroughbred Horse Society of \$45,000. Last year it was \$35,000. I would like some explanation of why this amount of money goes to the society and why the extra \$10,000 this year?

MR. OLIVER: Also, why the hon. Provincial Treasurer has to deal with it, instead of the hon. Minister of Agriculture.

HON. MR. PORTER: I would be very glad to turn it over to the hon. Minister of Agriculture, because I am not familiar with the vagaries of horses or horse racing, but it is here because

it has been here traditionally, because my predecessor was a great follower of the sport.

The purpose of this grant, which is the third in the estimates for a number of years, is to encourage breeding of thoroughbred horses in Ontario. The basis of payment is to allow 5 per cent. of the purse won by horses in Ontario payable through this society to the breeder. Most of the breeders are farmers.

MR. MacDONALD: Gentlemen farmers.

HON. MR. PORTER: The reason for the increase is, in the last year, the amount of these purses increased. I think there were a few more races a day, and actually, increases in purses. That is the explanation. It is based, definitely, on 5 per cent. of the purses won by the horses in Ontario. This is a grant that is made.

MR. MacDONALD: Another subsidy to Mr. E. P. Taylor.

HON. MR. PORTER: No, this is for the rural way of life.

MR. WHICHER: Has the hon. Provincial Treasurer the figures, as to how much Mr. E. P. Taylor received of this \$45,000?

AN HON. MEMBER: None of these horses are on the payroll.

MR. WHICHER: They are on a good payroll.

MR. WINTERMEYER: Mr. Chairman, before we leave this item, I would like to refer to the allotment under Public Debt. In the forthcoming year \$46,785,000 is for interest, and I note by examining the Public Accounts for the past year, the fiscal year ended March 31, 1956, we actually spent for this item, \$50 million or, approximately \$3.25 million more than the current allotment. We are aware public debt is up in the interval and know interest rates are up.

HON. MR. PORTER: Will the hon. member give me that reference?

MR. WHICHER: Page 6 of the Public Accounts.

HON. MR. PORTER: Is he comparing that with last year or this year?

MR. WINTERMEYER: Under Public Debt, 2,102, the interest is \$46,785,000; I am sorry, it is 2,101.

HON. MR. PORTER: The hon. member is including the \$15 million of debt paid off because in 1956 and 1957 the amount was \$1,428,000. The hon. member is including the capital. I think he will find that is correct.

MR. WINTERMEYER: That might be.

HON. MR. PORTER: I think that is the explanation.

MR. WINTERMEYER: Is this item of \$46 million that appears here more than was allotted last year?

HON. MR. PORTER: Less than allotted. I am sorry, it is more.

MR. OLIVER: Either more or less.

HON. MR. PORTER: This year it is \$46,785,000.

MR. WINTERMEYER: The hon. Provincial Treasurer feels this is adequate to cover interest charges?

HON. MR. PORTER: Oh, yes, and I may point out this; this covers all the interest on debentures and the other interest that we pay. I just broke it down for the hon. member's information. Interest on provincial debentures, \$23,668,000. Interest on debentures on Crown agencies, \$657,000. Interest on debentures that were issued for Hydro purposes, \$12,137,500. Debentures issued to the teachers' superannuation

fund, \$4,537,500. So that the net amount of interest with the Hydro, that interest is offset by the interest coming back to us from the Hydro, and the net amount is \$32,352,100 for next year.

MR. WINTERMEYER: That is for next year?

HON. MR. PORTER: Yes.

MR. WINTERMEYER: Would the hon. Provincial Treasurer advise us, likewise, why the odd amount for the sinking fund instalments, \$17,833,000? The figure \$17 million is certainly a normal type of allotment that is made, but why the odd \$833,000?

MR. MACDONALD: Actuarily sound.

HON. MR. PORTER: There were two series of debentures issued some time ago; series AM and series AN; sinking fund debentures. There is a sinking fund attached to those debentures and in the case of series AM, the amount is \$1,077,000 for their sinking fund. For series AN, \$1,256,000 and the general sinking fund on the debenture debt, which is not specifically a sinking fund debt in the sense that there is no sinking fund provision attached to the debentures themselves, is \$15,500,000, and that makes a total of \$17,833,000.

Vote 2,101 agreed to.

On vote 2,102:

MR. H. C. NIXON (Brant): May I ask the hon. Provincial Treasurer under what vote will the money be found that is going to pay the cost of the administration of the collection of The Corporation Tax Act?

HON. MR. PORTER: In this vote.

MR. NIXON: How much does he anticipate that will cost over and above what his expenses were when it was collected at Ottawa, and was handed over to him?

HON. MR. PORTER: I will just have to figure that out. I have the figure here, about \$400,000 additional. Under the rental agreement, we were not paying the cost of collection.

MR. NIXON: Did he maintain the nucleus of this organization?

HON. MR. PORTER: Yes.

MR. NIXON: Has the hon. Provincial Treasurer the files on which he can work?

HON. MR. PORTER: There has been constant work over these years on arrears of corporation taxes and they take some time to dispose of, and there has been an organization kept together and it will only be necessary to increase the staff moderately to handle this.

MR. NIXON: I was just wondering if the hon. Provincial Treasurer has the organization to deal with this tremendous problem of making proper collections from all corporations in this province as efficiently as it has been done in the past 5 years by the federal authorities?

HON. MR. PORTER: Yes.

MR. H. WORTON (Wellington South): May I ask, Mr. Chairman, what is the reason for the sharp increase in travelling expenses from \$52,055 to \$100,000?

HON. MR. PORTER: Is the hon. member comparing that with 1955?

MR. WORTON: Yes.

HON. MR. PORTER: A year ago, the gasoline tax branch of The Department of Highways was transferred to The Department of the Treasury. That, probably, fully represents the increase there. Last year, it was \$82,000.

MR. WORTON: May I ask, Mr. Chairman, if the salaries have been increased too? There is, roughly, \$400,000 increase over the past 3 years.

HON. MR. PORTER: That is right.

MR. WORTON: Who is comptroller of revenue now?

HON. MR. PORTER: Mr. P. T. Clark.

MR. WHICHER: I realize this is only a small item, but I would like to ask the hon. Provincial Treasurer, under item No. 4, \$10,000 bank charges and legal fees: are there not enough lawyers around here without having to go out and hire them?

HON. MR. PORTER: There is frequently litigation arising out of succession duties. Many cases go to the courts under The Succession Duty Act, and in those cases it is considered advisable to employ outside counsel, which we frequently do. The main part of it is bank charges; the legal fees are a nominal part.

Vote 2,102 agreed to.

On vote 2,103:

MR. OLIVER: This is on the Ontario Racing Commission and, unfortunately, of course we have not the Parliamentary representative on the commission with us today.

HON. MR. PORTER: He was with us, but he must have gone out when he heard this was coming up.

MR. OLIVER: He could give us valuable information. I would suggest to the hon. Provincial Treasurer when he was looking around for revenue, taxing the Ontario motorist and corporations, and half-a-dozen other avenues, that he overlooked one very good source to raise money and that was, of course, the pari-mutuel tax.

The history of the pari-mutuel tax is quite interesting. In the last 5 years, for instance, 1951-1956, the Jockey Club took their 9 per cent. and that has remained pretty well constant during 1952, 1953, 1954, and up to the present time; a 9 per cent. cut.

The Ontario government, on the other hand, had 12.5 per cent. in 1951, dropping to 10, 14, with an escalator clause in 1951 and 1952. 1952 and 1953, 8 to 12. Then, in 1954, it dropped to 8 per cent. In 1955, there was a drop to 7 per cent.; in 1956, it stayed at 7, and in 1957, it is dropping to a straight 6 per cent. The Jockey Club, therefore, has a take of 9 per cent. as against the government take of 6 per cent.

I suggest to the government, quite seriously, if they had maintained the 12 per cent. cut that was in force 5 or 6 years ago, instead of getting \$4.2 million, as they did this year, from the pari-mutuel tax, they would have received almost \$9 million.

That, it seems to me, is a good source to raise money and I cannot help but make this observation, as well:

In the last two or three years, we have built the new Woodbine at a tremendous cost to somebody. I always thought it was the Jockey Club that built it, but when one looks at those figures, one arrives at this conclusion:

What has happened is that the Ontario government actually built the new Woodbine by keeping out of the field. By dropping their percentage from 12 to 6, they have gone without sufficient money in order to build the new Woodbine. I would suggest to the hon. Prime Minister there is a place he could have raised some of the money he wanted so very badly.

HON. MR. FROST: Mr. Chairman, may I say first of all, the 9 per cent. is fixed by the federal government. That is not fixed by us and is a matter which arises under the Criminal Code, and is fixed by the federal government themselves.

It is perfectly true that our take, our 6 per cent. and in other years 7 per cent. and other percentages, can be fixed by the government. They can be fixed here. The rates could be doubled more than that. But I point out to the hon. Leader of the Opposition that, involved in this is the great problem of law

enforcement. I could give the hon. Leader of the Opposition a little more history of this thing.

In the war days the take of the tracks was less than 9 per cent. That was increased by the federal government some 3 years ago.

But, during the war days I think that the combined tax and take of both the federal and provincial governments—and the federal government was then levying a tax as well, arising, I think, out of the budget of 1941—the take went up at that time as high as 22.5 per cent. At the present time the combined deduction from the betting pool is 15 per cent.; 9 and 6.

The reason for that reduction was this: the federal government pulled out of the tax in, I think, 1947. That allowed a reduction in the amount of the tax. This matter, of course, involves the betting pool, with which I am not particularly familiar, but I think it has been felt that if a combined deduction from the pool is around 15 per cent., that is about the economic level insofar as the bettor is concerned.

One of our great problems with the high combined deduction was the bookmaker in Ontario. I would say that presented a very great problem, in our studies of it the view as presented by the persons who knew about this thing—and I do not propose to know all about the ins and outs of it—was that if the tax and the racetrack take from the pool was reduced, that it took away from people the desirability on their part, or the attractiveness to them, of betting through the bookmaker, which, of course, means no tax for us, and I presume no take for the racetracks.

That is the situation, and I would point out that the reduction of the tax was made in a gradual way from the high point of a combined tax—federal, provincial and racetrack take—of 22.5 per cent. intentionally to bring it down to a combined take of 15 per cent. with a view to eliminating the illegal bookmaker and illegal betting in the province of Ontario.

I am advised by the police authorities that this has met with very great success. Illegal betting is one of the great problems and one of the places where lawlessness and that sort of thing arises. I am now advised that the effect has been to better that condition very much, and to eliminate the illegal betting which previously took place in the province.

I would say to the hon. member that we have tried to combine revenue take with the matter of maintaining a high degree of morality in this province, and I would think that has to be placed on the accounts, and taken into account in the consideration of this problem.

I may say this—the combined take of 15 per cent. is the equivalent of the highest combined deduction take in any jurisdiction in America with the exception of Manitoba. Some other jurisdictions have taken less than that, but we felt that was the highest economic level we could strike which would make it unprofitable for the illegal bettor or the illegal bookmaker to flourish in this province.

We brought that about gradually—I have explained this before—in an intentional way, and have pretty well kept up our revenue, and would say that one of the reasons for the higher betting pool in Ontario is that very much less is going into the illegal course than before. Our course on that, Mr. Chairman, has been very definitely justified.

MR. OLIVER: Mr. Chairman, if you go back to 1950 and 1951, the combined take of the Jockey Club and the government in both those years was a little over 20 per cent. Does the hon. Prime Minister suggest that that contributed to lawlessness?

HON. MR. FROST: Yes.

HON. MR. PORTER: We heard all about the bookmakers a few years ago. We have not heard about them now for the last year. Since this great re-

form was introduced in the last budget, there has not been a word about book-makers.

MR. OLIVER: Well, if there was lawlessness and illegal bookmaking in 1950 and 1951, the dropping of the percentage from 10 in 1952 to 6 is not going to eradicate it, and I do not think it does.

HON. MR. PORTER: May I add this, and give the hon. member the figures of the actual take from this tax. In 1955-1956 the actual, at the 7 per cent. rate, was \$3,978,874. In 1956-1957 we budgeted for \$3.4 million; that is the current year, and we budgeted for \$3.4 million, making some allowance for what we thought we would lose by some reduction of the rate.

Actually, the present estimate of revenue from that tax this year is \$4 million, so the reduction of the rate accompanied an actual increase in the take.

HON. MR. FROST: It took more from the bookmaker and put more into the revenue.

MR. OLIVER: Is the hon. Provincial Treasurer suggesting that he gets as much money at 6 per cent. as he does at 12 per cent.?

HON. MR. PORTER: We have.

MR. OLIVER: That is not so. There is much more money being bet, as the hon. Provincial Treasurer knows.

HON. MR. PORTER: I would say this, that the racetracks pay the regular amusement tax.

MR. WHICHER: They always did.

HON. MR. PORTER: Yes, but they pay that, and that is another one of their costs.

MR. WHICHER: He is making excuses for it.

HON. MR. PORTER: This betting tax is a form of special amusement tax. In addition, they will pay corporation income tax under the bill I have introduced in this House, and this will be the first time in the province of Ontario that the racetracks have been subject to Ontario corporation income tax, and in the days of the government of the hon. members opposite they went free of that tax. Any slight reduction in this pari-mutuel tax, which has been of such benefit to the morals of the country, is more than offset by the other taxes that are being imposed.

MR. OLIVER: Mr. Chairman, I point this out, that this is the first instance in my memory when the federal government ever dropped a tax that the province did not pick up.

HON. MR. PORTER: Yes.

MR. OLIVER: I suggest it should have been done in this instance, rather than the others.

HON. MR. FROST: This was all long range policy for human betterment.

MR. WHICHER: Mr. Chairman, the hon. Prime Minister said the 9 per cent. take by the Jockey Club was set by the federal government.

HON. MR. FROST: That is right.

MR. WHICHER: Has this government at any time tried to get the federal government to reduce its 9 per cent. rule?

HON. MR. FROST: I must say I protested very strongly to the federal government for doing this: they horned in again and put in one-half of one per cent. tax, with the purpose of taking the proceeds of Ontario betting and using it in some other provinces. We got short-changed again, and I took strong exception to that.

We were, for the purpose of better government and better conditions in this

province, reducing our tax, and the federal government horned in and put an extra one-half of one per cent. in that.

MR. WHICHER: That is a heavy levy. I do not think the hon. Prime Minister answered my question: did he ask the federal government to reduce its 9 per cent. rule to 4 or 5 per cent. during the tax rental arrangements?

HON. MR. FROST: No, not during the tax rental arrangements.

MR. WHICHER: Did he ask them at any time?

HON. MR. FROST: We protested about their change in rules without consulting us, but that is the usual technique, and all we can do is to continue to protest.

MR. WHICHER: What was this government protesting for? It is the Jockey Club who got it, not the federal government.

HON. MR. FROST: The Jockey Club in its operation—that has not been done by ourselves; that has been done by the federal government, and they say it is their responsibility, and the representation is made there. Similarly, we will come to the beer tax shortly, where they take about 75 per cent. or 80 per cent. of the whole thing and do nothing with it except pile up these huge surpluses.

MR. WHICHER: And pay old age pensions which this government does not.

MR. NIXON: Mr. Chairman, I would like to comment that the most amazing suggestion in connection with law enforcement is to make it unprofitable for the bookmaker to carry on by the government foregoing \$4 million worth of revenue. Would it not have been better all round if this government had taken its proper take and put the bookmaker in jail? We have

an Attorney-General's Department and all the provincial police, and if this government knew they were operating, why did it not arrest them and put them in jail?

HON. MR. FROST: That is a very difficult matter. The hon. member knows that, because he used to sit over here. It is a very difficult matter.

MR. WHICHER: There were no bookmakers then.

HON. MR. FROST: May I point this out, Mr. Chairman: there are houses in this city where there may be 100 telephones installed. The police are barred from any information relative to those, and I will say this, that I think that is rightly so because I am not in favour of wire tapping; I do not like to get into that sort of business here in this province.

In any event, the police are practically prevented from getting any information relative to those things, and yet we know they are operated for bookmaking purposes.

What we did was this: the bookmaker was getting millions of dollars, and it was due to the fact that the federal-provincial racetrack take was so high. We reduced that take and transferred into legal betting millions of dollars, and that is one of the reasons betting has gone up so much on the official records. It is due to the fact we put the bookmaker out of business.

I think the hon. member will agree it is better to put the bookmaker out of business and get 6 per cent. of the larger pool than it is to raise it to 8, 9 or 10 per cent., and get less going through our pool, because it does not pay the bettor to lose so much out of the betting dollar. It is better for us to keep our revenues level by increasing the legal take.

MR. A. WREN (Kenora): Mr. Chairman, I am rather amazed the hon. Prime Minister would suggest that encouragement of an increase in

gambling is a good thing, no matter whether it is encouraged through the bookmakers or the legal racetrack. Is the suggestion that it is a good thing gambling is on the increase?

HON. MR. FROST: I may say the hon. member lives in a perpetual state of amazement. I would point out it is legal under the laws of Canada to bet, and to bet through the pari-mutuel system. That being the case, it is our job here, being interested in law enforcement, to see the betting of the public is done in a proper manner. By so doing, I do not want to be taken as being in favour of racetrack betting.

MR. WHICHER: Would the hon. Prime Minister agree that if it was a good thing to get rid of the bookmakers, that by lowering the tax it was also a good thing for the Ontario Jockey Club.

HON. MR. FROST: Yes, I would say so.

MR. WHICHER: In other words, we have helped out the Ontario Jockey Club.

HON. MR. FROST: It is a legal organization, and I would rather help the Jockey Club than the Purple Gang and a lot of those organizations from across the line.

MR. YAREMKO: The bettor gets more, too.

MR. OLIVER: Mr. Chairman, when you talk about this rate, I am suggesting to the government that it is perhaps the lowest rate of any province in Canada—in their take from this particular field. It is obvious and as plain as the nose on one's face why it was done, and the reason offered by the government is not valid.

HON. MR. FROST: The hon. member raises another point: may I point out that in the other provinces there is practically no business done at all. In Montreal they have high taxes, and the

Blue Bonnet and other tracks are out of business. In this province our racetracks are run in the highest order of all America. I think the hon. member will agree this is one of the best things this government ever did.

MR. WHICHER: Mr. Chairman, the hon. Prime Minister has suggested, in talking of bookmakers, that there may be 100 telephones installed in one house; why is the Bell Telephone permitted to instal 100 phones in a house?

HON. MR. FROST: I would suggest the hon. member go and ask the Bell Telephone Company, and not me. It is a federal government emanation.

MR. J. W. HANNA (Huron-Bruce): Mr. Chairman, being a member of the racing commission, it does amuse me to hear men of intelligence talking about racing. I suppose a lot of these hon. members have never been to a race-track. When it comes to betting and making the public happy, not the Ontario Jockey Club, this may be the greatest thing that has ever happened.

MR. OLIVER: What?

MR. HANNA: The building of the new track. All hon. members from the country should come down and see the new track and, not only that, they should learn something about racing. I am surprised at their bringing a small item like this before the House because they are cutting it down pretty fine when they talk about only \$2 million or \$3 million.

MR. WHICHER: Get that down.

MR. HANNA: I am surprised that many hon. members here today are not agreeable to the reduction in the tax, which may be one of the greatest things that has ever happened to the public, the racing public, not the Ontario Jockey Club. I have nothing further to say but anything further hon. members would like to know please come to see me.

Vote 2,104 agreed to.

On vote 2,105:

MR. MacDONALD: Is the tabulating branch where that new gadget came from?

HON. MR. PORTER: No, that is the hon. Attorney-General's Department.

MR. MacDONALD: I thought it was a cog from the Tory machine.

Vote 2,105 agreed to.

On vote 2,106:

MR. WREN: Mr. Chairman, I would like to ask the hon. Provincial Treasurer a question having to do particularly with the censor board which would come under this branch.

I wonder at times whether it might not be a good idea — I am speaking now not so much in criticism as on a matter of straight public policy — I sometimes wonder if it would not be a good idea to save the money of this province by abolishing the board of censors altogether.

I say that for this reason: not long ago there was a picture circulating in the province by the name of *Baby Doll*, and despite protests of high people in the church and despite the fact it was brought to the attention of the board of censors by many people, this perfectly disgusting picture which I went to see myself was allowed to carry on.

This picture was not a story at all, it was merely an exhibition of degradation and filth, plainly and simply licenced pornography. I do not think that type of picture should be permitted to be shown in the theatres of this province.

There is also another medium of entertainment which is far more effective I think in getting across unsuitable material over which we have no control at all, and that is the fact that some of these television films are having an effect on the family life in Ontario. The board of censors has no control over that medium in any way, shape or form, and if they are going to permit pictures of this type to be shown before and after reasonable protests have been

made, I think we could well save the item we would be voting for the budget in this respect.

MR. REAUME: Is this a one-man board or two or three?

HON. MR. PORTER: No, the board of censors consists of Mr. O. J. Silverthorne, Miss M. Canning, Mr. R. A. Gasken, Mr. C. W. Knowles and Mr. J. H. Evans.

MR. GIBBORN: Do they ever look at these pictures?

HON. MR. PORTER: Yes. There are differences of opinion about pictures and censorship is a very difficult thing. There are many people who have seen the picture the hon. member mentioned and saw nothing objectionable about it at all.

MR. WHICHER: What was the hon. Provincial Treasurer's opinion?

HON. MR. PORTER: I did not see it.

HON. MR. FROST: We work so hard we never get the opportunity to go to the theatre.

MR. OLIVER: Does the censor ever get to the place where he turns down a picture?

HON. MR. FROST: Yes.

MR. OLIVER: Well, has the hon. Provincial Treasurer any idea of the name of any picture he has turned down?

HON. MR. PORTER: Yes, there have been a few turned down recently but I do not have the names of them.

MR. OLIVER: How many?

HON. MR. PORTER: I would have to look that up.

HON. MR. FROST: They cut out objectionable pieces of the pictures.

MR. OLIVER: No, the film as a whole, I am not talking about pieces but the film as a whole that is not allowed to be shown in the province, can the hon. Treasurer name one?

HON. MR. PORTER: We can get that information, and if the hon. Leader of the Opposition has seen any pictures lately he would like to draw to our attention, we will have a special showing and invite him.

MR. OLIVER: Well, if this government deals with them all in the way they did in this case—

HON. MR. PORTER: Has the hon. Leader of the Opposition seen it himself?

MR. OLIVER: The hon. Treasurer ought to be in a position to tell us whether it should have been passed or not, but he did not see it.

HON. MR. PORTER: No, I did not see it.

HON. MR. DUNBAR: Did the hon. member see it?

MR. WHICHER: The hon. Provincial Secretary's party is the one in office, and it is not fair to ask us if we saw it or not. I might say that I saw it and I thought it was disgraceful.

HON. MR. PORTER: Why did the hon. member not object?

MR. WHICHER: I am objecting right now.

HON. MR. PORTER: I would think if he thought that picture was demoralizing, he would have immediately put in a protest in the most violent terms to me, and I would have gone and looked at this picture. How can we deal with these matters if citizens of this province let these pictures go by and allow the youth to be de-

moralized week after week, yet never lift a finger?

MR. WHICHER: Does the hon. Provincial Treasurer mean to stand there and say he had no one in the province suggest that the picture should not be shown?

HON. MR. PORTER: Not one, not one letter, not one telephone call.

MR. WHICHER: It was in the papers.

HON. MR. PORTER: The hon. member asked me whether I had any protests from anybody, and I had none.

MR. WREN: May I ask the hon. Provincial Treasurer if he received any telephone or letter communication from high officials of the Roman Catholic Church protesting the film?

HON. MR. PORTER: No.

MR. WREN: And the hon. Treasurer knew nothing about it, he did not know they made any protest?

HON. MR. PORTER: No.

HON. MR. FROST: Mr. Chairman, may I relate a little experience to the hon. members? I was a censor myself for a number of years and had rather considerable experience, but I well remember a French picture called *La Ronde*, about which there was a tremendous amount of controversy.

There were many organizations which objected to that picture and I will tell hon. members what I did.

The board of censors are very conscientious people, I do not think there is a better board of censors anywhere, and in that particular instance we got a special board of examiners, we chose critics, the literary and dramatic critics of all the Toronto newspapers, we took some representative clergymen from the various churches.

In the end the decision with that picture was a very curious one. The majority of people, including all the art critics and dramatic critics of the Toronto dailies were in favour of it. There were, however, some dissenting views in relation to it.

At the time, the majority opinion from this board, which was drawn from the Women's Institute, the various women's organizations, Daughters of the Empire and others, the opinion was in favour of it. But, due to the fact that there was a substantial minority against the picture, I ordered that it be withdrawn from circulation. There were very many protests about it but we withdrew it, and the picture was held up for some two years, and it was put out again and there was not a single protest about it. That is the situation, and how to handle it is a very difficult thing to figure out.

MR. D. C. MacDONALD (York South): Mr. Chairman, I do not want to comment on this particular movie, but this is a very tough problem, as the hon. Prime Minister has indicated. I just want to throw in this word of caution with emphasis in the other direction from what the hon. member for Kenora has been suggesting here this afternoon. We have seen the result of what he in effect is suggesting this afternoon in the operations of the hon. Mr. McCann, in Ottawa, with regard to censorship of books, which I suggest is pretty close to ludicrous. Those operations have made this country a laughing stock. Many books accepted by critics may have something in them to which some purist may object. These books are accepted in circulation in some other countries but are forbidden here because often the hon. Mr. McCann has not read them himself, but some bureaucrat in his department has read them. On that authority they are banned.

I think this outburst of purism from my right is just a little on the "phony" side.

MR. WINTERMEYER: The remarks of the hon. member for York South surprised me. He was like everybody else. I did not anticipate anything of that sort. But the hon. Attorney-General made a very dramatic reference this afternoon to loss of life on our highways, and, frankly, we should also be concerned about the morals of our children.

I know there will be a difference of opinion, certainly, but there is something to be said for the fact that a lot of motion pictures are basically unsound for distribution among children, or juveniles, at least.

If any man over the age of 21 wants to go to these pictures I do not know what can be done about it. He will cross the border to see them if necessary. But out of all this cannot we derive some good—and I am speaking very seriously here—something that will protect and ensure that children are not permitted—

MR. MacDONALD: But *Baby Doll* was classified as "adult entertainment."

MR. WINTERMEYER: What is the classification of an adult? That is ridiculous. Does the hon. member stand by that figment of the imagination?

MR. MacDONALD: If it is classified as "adult", then enforce the regulation to protect children.

MR. WINTERMEYER: Mr. Chairman, out of all this, some good can be derived. I appreciate that what has been said is very right, but there is something that can be done to prevent our children from becoming juvenile delinquents in terms of preserving their morals. There is something to be said for the other side, and I think it should be said. I believe that some constructive suggestion can come forward from either side — and I am thinking particularly in terms of children. There is not enough prevention of children getting into these shows. They put a sign across the front "adult entertainment", but what does it gain?

I am not being critical of the department; it may be that is the only way to do something. In my riding I have received representations from about 100 or 150 public school children, or, at least, the children had been assembled to protest. We sent it on to Mr. Silverthorne and we never heard a word in reply. Maybe it should have been sent to the government. But if, out of all this discussion this afternoon, we can derive something of substance to curb the attendance of juveniles at these shows, we will have accomplished a lot.

HON. MR. PORTER: This is a difficult problem, because there is a difference of opinion right in this House as to how far censorship should go. Personally, I believe that censorship is a much more dangerous thing, under most circumstances, than the bad effects of the lack of censorship.

The hon. member will appreciate, too, that today television is a much more widespread popular medium than the motion pictures for a great many people, and we have no control of what comes over the television; and they see shows from the United States. Whether they are good, bad or indifferent I do not know, because I do not have a television. But that is what is happening today. It is the same with radio. We have no control over these things.

It is only in the case of motion pictures that we have any control at all; and I think we have to be very careful before we arbitrarily say—5 people sitting down—that "this is bad for the population to look at."

I suggest this, that if any of the hon. members of this House wish to come forward, we could go out to the censorship branch which is at Leaside and they can put on a film, and the hon. members can see exactly how they operate. We can put on *Baby Doll* and see what it looks like, and hon. members can make up their own minds as to whether that is beyond the line. It might be interesting to find out whether there is a difference of opinion on a film that has had the publicity that this one has.

MR. OLIVER: Mr. Chairman, on another aspect of this whole question, the government is well aware, as is everyone else, that theatres as a whole are having quite a difficult time at the present time. I would think that the downtown theatres, perhaps, in Toronto are doing all right, but when we get out to the outside areas of this province, many of them are actually closing their doors. We are going to have quite a serious situation in that respect.

This government, through its hospital tax, imposes taxation on those theatres, and it would seem to me that in view of their financial difficulties we should move toward taking away that hospital tax and relieve them to some extent, and, perhaps, help them to regain some of their former patronage.

MR. CHILD: Mr. Chairman, this is a matter on which I would like to make some comment —

MR. OLIVER: I want to hear an answer to my suggestion.

HON. MR. PORTER: I do not think we are in a position to reduce taxes this year. In view of the problems that we have laid before this House, and in view of the fact that some hon. members opposite have suggested that we should not have put on some of the taxes—we need the money, and we cannot reduce these taxes when we are raising others.

MR. OLIVER: The government will take the tax off the theatre after it closes.

HON. MR. PORTER: In those circumstances I do not know whether the existence of the tax is going to keep them in or out of business. On a 50-cent ticket it is only 3 cents. I do not think it is a major factor. If they are running as close to the line as that, they possibly would go out of business anyway.

HON. MR. FROST: We reduced the tax the year before last quite considerably. We were put into the position of

having to reduce the whole amusement tax on all forms of amusement, many of which are very profitably carried on.

MR. OLIVER: Wrestling, for instance.

HON. MR. FROST: How can one distinguish between them?

MR. OLIVER: Can the hon. Prime Minister not distinguish between the two?

MR. MacDONALD: That is a good question.

MR. CHILD: Mr. Chairman, this is a matter in which I am interested. I spoke with reference to literature before, and I find myself in agreement with the hon. member for Waterloo North regarding children. Most adults will agree that censorship for adults is a difficult thing. If a man is over 21 and wants to go and see something, fine. But I do believe there are many pictures in the category of *Baby Doll* which should be restricted to persons over 16 years of age; and possibly that type of legislation is what we may be lacking.

HON. MR. PORTER: It is restricted to children under 18.

MR. CHILD: *Baby Doll* was one, but I think there are many other pictures on the borderline, which I have no doubt should be definitely restricted, and we would not be criticized.

MR. STEWART: *Baby Doll* should be patronized now. It has been well plugged here today.

MR. SPENCE: Might I ask the hon. Provincial Treasurer a question? Are any employees of the Union Gas Company paid any fees or salaries by the Ontario fuel board for working as inspectors of gas installations, and, if so, how many?

HON. MR. PORTER: No.

MR. OLIVER: I want to refer to an article which is in today's *Toronto Globe and Mail*, as having some reference to what the hon. member for Kent East has just said. The heading is: "Hydro Man Charges Gas Firm Refused Service if no Stove Used," and apparently at a meeting of the Ontario Municipal Electric Association there were a number of resolutions passed, and I want to read two of these resolutions and ask the hon. Provincial Treasurer to comment on them:

One resolution objected to a gas company being allowed to refuse space heating to a domestic customer unless the customer installed other gas appliances. The other asked Ontario Hydro to spark an advertising campaign to advise the public on the many uses of electric energy.

Bert Merson, chairman of Toronto Hydro, contended the provincial fuel controller had allowed the Union Gas Company to refuse gas heating to western Ontario unless the home owner also installed a gas water heater or stove.

It goes on to say:

The resolution, as it came from the western Ontario district, complained that the practice had "resulted in a great many householders being forced to dispense with electric water heating equipment, with which they had been quite satisfied, in order to obtain the desired space-heating permit" and that "this form of conditional agreement is in violation of ethical business practices and has created hardship in forcing householders to purchase equipment that they did not need."

I suggest that, if that charge is authentic and if the resolution was depicting actual conditions, the hon. Minister should not only say something about it, but we should have the assurance that if these conditions presently prevail they should no longer be countenanced by the government or the fuel controller of the province.

HON. MR. PORTER: I have not seen the article, but I will be glad to inquire into it and see what the situation is.

MR. MacDONALD: I want to return, if it is possible, to get clarification on a point which has been raised two or three times regarding the power of the fuel board in respect to regulating the price of natural gas.

We have at the present time in this country, Mr. Chairman, what I suggest is an absolutely unprecedented situation, and that is that the Trans-Canada Pipe Line Company has been given a monopoly franchise. It has been stated, and now confirmed by Rt. hon. Mr. C. D. Howe in Ottawa, by our own fuel board, that the board of transport commissioners have no jurisdiction over the supervision of the price that Trans-Canada may charge. They have this exclusive franchise. It is a monopoly franchise.

Along with all these other concessions in connection with this franchise that we are hearing about, now there is no supervision of the price.

Rt. hon. Mr. Howe has given this reason as an excuse as to why the board of transport commissioners are not exercising supervision: with the price to the consumers regulated at the provincial level, there is an effective, even though indirect, regulation of the price that can be charged to the distributor.

In other words, because our fuel board here regulates the price to the consumer, that regulation sort of percolates back to Trans-Canada and is an effective regulation back at the Trans-Canada level.

I suggest that this is an absurd kind of argument. The utility which gets the gas from Trans-Canada is going to take the price that Trans-Canada charges as a fixed price. The fuel board, when it assesses whether or not this is a fair price at the Ontario consumer level, has to accept what Trans-Canada is charging. In other words, this argument that the regulation by our fuel board at the

consumer level is an effective one back at Trans-Canada just does not hold at all.

My first question which I want to put to the hon. Provincial Treasurer is this: does he agree with the Rt. hon. Mr. Howe that regulation at the consumer level by the Ontario fuel board constitutes effective regulation of price back at the trunk line so far as Trans-Canada is concerned?

HON. MR. PORTER: No.

MR. MacDONALD: He does not?

HON. MR. PORTER: That is what I said — no.

MR. MacDONALD: Then, it seems to me a very serious situation. We have a monopoly franchise given and there is no regulation of the price. It is an unprecedented situation—not only serious.

My second question, therefore, is this: Has the hon. Provincial Treasurer made any representation to the government at Ottawa? Just let me interrupt myself here, because the last time we discussed this he said the board of transport commissioners do not have the power, but they could be given power.

This is the first time I am aware of that the board of transport commissioners has given an exclusive monopoly franchise without automatically accompanying that with a regulation of price.

At the federal end, quite frankly, I am a bit mystified and puzzled as to why this kind of unique privilege has been given to this company. But if the federal government, by default, is not empowering the board of transport commissioners, if the board has not the power, what is this government doing to induce the federal government to do something for the protection of the people of the province of Ontario?

HON. MR. FROST: May I point out to the hon. member that matter has not really come to us in a practical way, for the reason that the pipe line is only

now in the process of being built. Nothing has been done in Ontario yet, and I would say to the hon. member that we are quite prepared to pass on that kind of view to the federal government.

Now that the hon. member has raised that point, my recollection is that one of the newspapers raised that point as well. We are perfectly prepared to pass that on to the federal government; it is within their jurisdiction. Our board controls the situation in Ontario but that is from the standpoint of taking gas at a certain price from the pipe line. However, we are prepared to pass that on.

MR. MacDONALD: I am glad to have that assurance from the hon. Prime Minister, because I think it is the first time that assurance has been given that this government will make representation to Ottawa.

My second point is, the Ontario fuel board has control of the regulation of prices to the ultimate consumer. Now, I come back to something else I have raised before, but the hon. Provincial Treasurer would not treat it seriously. I would like an answer today instead of being brushed off.

HON. MR. PORTER: I have not brushed it off. I answered the first question so quickly the hon. member did not have time to gather his thoughts for this second question.

MR. MacDONALD: When Trans-Canada Pipe Line does not sell gas to a utility, but rather makes a contract direct with the industrial consumer, which then becomes the ultimate consumer in the province of Ontario, then, in accordance with this Act, the regulation of the price itself comes under the Ontario fuel board.

HON. MR. FROST: I am not sure.

MR. MacDONALD: You are not sure?

HON. MR. FROST: No.

MR. MacDONALD: The last time, the hon. Prime Minister said definitely "No." Does this indicate the direction in which his thinking is going?

HON. MR. PORTER: Does the hon. member want an answer or not?

MR. MacDONALD: Yes.

HON. MR. PORTER: Then let me answer it. In direct dealings with the Trans-Canada Pipe Line, which is a national undertaking, it runs across boundaries of all provinces, or, rather, several provinces, and is entirely under the jurisdiction of the Canadian government. Therefore, there could be no mention of a deal directly with a utility or with an industry or with anybody in Ontario.

I cannot see, offhand, and I have given it some consideration, and I do not think it would be held that the province would have any jurisdiction as to what price could be charged by that pipe line company.

I may go a little further and say, we must remember it is a national pipe line; a national undertaking and, because it affects more than one province, the whole financial feasibility of that line depends on the whole series of prices at points in different provinces.

If we had the power in Ontario to decide how much they should charge consumers of gas, or some industry, or anybody else, we could wreck the whole project economically because we could arbitrarily say they will get only 10 cents in this province and how could they, possibly, ever hope to get a reasonable amount of revenue to run the whole project?

To do that they must fix their sale price structure so that they will make the whole project economic. It would be impossible if they became subject to 4 or 5 jurisdictions all across the country who could, from time to time, arbitrarily reduce their revenues and that is why I say any price control must be federal.

It that happens not to be a correct legal position, I say it is the only practical position, and I say it would be impossible and wrong for us to subject, and perhaps jeopardize and jettison the whole project, by dealing with something we haven't the knowledge to deal with and are not in a position to deal with.

MR. MacDONALD: Mr. Chairman, I want to thank the hon. Provincial Treasurer for answering the question now. If I was provoking before, I was provoked into being provocative because the hon. Minister had dismissed it earlier. I acknowledge there is a legal problem in this as to the definition of what the ultimate consumer would be.

HON. MR. PORTER: Despite the legal interpretation, how could we exercise it effectually and properly?

MR. MacDONALD: If the fuel board has no jurisdiction over the industrial consumer who makes a contract with Trans-Canada, I submit that industry is the ultimate consumer and in effect we will have to amend our Act.

HON. MR. PORTER: The Act might be *ultra vires* as far as that particular instance goes.

MR. MacDONALD: The third question I want to raise, has specific reference to the provincial fuel board, and there is no doubt about that. That is, under what conditions, when and how, does the fuel board act in putting into force the 7 per cent. dividend level with regard to the returns of a utility?

Let me cite again—and I have dealt with this in this House before—that is the Union Gas. The last annual report indicated a total sales of \$11.7 million. They paid \$1.5 million in income tax to Ottawa. They had undistributed reserves of another \$1 million, so there is \$2.5 million out of the sales of \$11.7 million.

Without going further than that, there is *prima facie* evidence this company is operating beyond a level of 7 per cent., which is generally understood to be the level beyond which they must reduce prices.

In conjunction with that let me raise another point, and the *Toronto Daily Star* has been pounding at this for some time and getting no further ahead with it than some of us in the House. That is, in regard to public hearings with the Consumers Gas in the Toronto area.

On February 9, the *Toronto Star* had another editorial headed, "Time for Real Control on Natural Gas Prices." They pointed out the Consumers Gas reports earnings of about 4 per cent., but this figure is not too meaningful because the company's net investment rate has not been definitely arrived at by the fuel board.

We have a traditional approach to this kind of problem, when there is a franchise there must be some supervision of price. In trying to arrive at a supervision of price and get it on an equitable basis, there must be public hearings for all concerned, so that they can express their views.

Now, why have we delayed for two or three years already the consideration of public hearings in the interest of the consumers here in Toronto? And why, in what looks to be a clear-cut case of exceeding the 7 per cent. dividend in the case of Union Gas, why has the fuel board not stepped in and forced a reduction of rates?

HON. MR. PORTER: Mr. Chairman, I cannot answer for the reasons which have motivated the fuel board in coming to any decisions they have come to. That is an independent board and they do not do what I tell them to do. I keep in touch with what they do, but if the hon. member wishes further information about that, I think we should have the chairman of the fuel board appear before the committee.

MR. MacDONALD: I think that is a good suggestion and I hope the hon. Provincial Treasurer will back it up.

HON. MR. PORTER: I am sure he will be delighted to attend and explain this. I do not want to be in the position of explaining the decisions made by an independent board without having all the information that is placed before them. They have the accounts of all these different companies and a certain amount of information to go on to decide whether it is desirable to have a hearing this month or year.

I think the only fair and proper thing to do is to have the chairman here, and then the hon. member will get an adequate answer and I think he is the person to explain this, and I think it would be very useful to many hon. members to have that done.

MR. MacDONALD: Very good.

Vote 2,106 agreed to.

On vote 2,107:

MR. T. D. THOMAS: Mr. Chairman, I would like to speak for a moment on vote 2,107, the housing development. The amount is \$55,900 and while this is a small amount, I wonder if the hon. Provincial Treasurer will tell us what we are likely to get for \$55,900.

HON. MR. PORTER: Yes, this is the Second Mortgage Loan Corporation. That is the corporation which was formed to deal with second mortgages, and they are still outstanding. There are still a considerable number of mortgages that have to be collected and serviced, and that represents the cost of doing that business.

MR. T. D. THOMAS: Can the hon. Provincial Treasurer give us, roughly, an estimate of how much is outstanding?

HON. MR. PORTER: The total amount advanced was \$16,610,000. The principal amount now outstanding is \$6,508,000. The total number of loans

repaid in full, 6,542. The total number outstanding, 8,153. Total losses to December of last year, I do not believe there are any since, \$1,258.94.

Vote 2,107 agreed to.

On vote 2,108:

MR. MacDONALD: Mr. Chairman, I am sorry I did not recognize that savings offices did not come under 2,107. I thought it was a new item. May I ask the hon. Minister this question: has there been any extension of the savings bank system of recent years or is there any effort to expand it?

HON. MR. PORTER: No.

MR. MacDONALD: No?

HON. MR. PORTER: We have not seen fit to do that. In order to establish a new savings office, one must decide on what amount of business might be there, and the government savings office does not go out after business actively. They do business as it comes. This is a government office; it is not a competitive business, and some of them do very well and some do not, and some have been closed down.

MR. MacDONALD: In other words, in a very competitive business under the jurisdiction of the government themselves, they are not seeking to compete with other banks.

HON. MR. PORTER: No. If the people want to use it, it is there to be used. This is a very convenient way of borrowing money, for us, today.

MR. MacDONALD: If it is serving a useful purpose, I am just a little bit puzzled why there is not some merit in pushing the thing a little more and expanding it a little more. I have heard no objections or criticisms. So why not expand it?

HON. MR. PORTER: It is only in large centres that the savings offices carry their costs. There is not really enough business.

MR. OLIVER: How many were closed?

HON. MR. PORTER: There have been none closed for the last 4 years.

MR. OLIVER: Any opened?

HON. MR. PORTER: No.

MR. OLIVER: Static.

MR. T. D. THOMAS: No progress.

MR. MacDONALD: In other words, this is a sort of socialized picture of the banking system under a Conservative government, that is just sort of languishing, drifting along.

HON. MR. PORTER: Well, it is a convenient way of borrowing money at a comparatively low rate of interest.

MR. T. D. THOMAS: Why does the hon. Provincial Treasurer not extend it then?

HON. MR. PORTER: We do not want to get into a business where we lose money. We find there are certain places which carry themselves and other places that do not carry themselves quite as well, and we should not be in a business where we are taking the risk of losing money.

MR. T. D. THOMAS: Why does the hon. Provincial Treasurer not abolish the whole system then?

HON. MR. PORTER: It is a good, going system, and there is quite a lot of money outstanding, and people make use of it. It is quite a convenience for the government.

MR. A. REAUME (Essex North): On item No. 3 of vote 2,108, may I ask what is the amount owing on that account?

HON. MR. PORTER: Which one is that?

MR. REAUME: Item No. 3, capital payment of \$150,000 on the S. W. and A. What is the entire amount owing?

HON. MR. PORTER: The total amount owing is \$3 million.

MR. REAUME: Even?

HON. MR. PORTER: Even.

MR. T. D. THOMAS: Mr. Speaker, at the present rate, how long does the hon. Provincial Treasurer think it will take to redeem this debt, how long at the present rate of payment?

HON. MR. PORTER: I will have to think that out.

MR. T. D. THOMAS: Perhaps the hon. Minister could give me that later.

HON. MR. PORTER: All right, I will do that.

MR. REAUME: Who actually are the owners of the company, is Windsor the owner of the company or is the province the owner?

HON. MR. PORTER: It is now run by the municipal board for the province and the city. Both the province and the city have an interest.

MR. REAUME: What part, then, is the city actually getting out of it as part owner?

HON. MR. PORTER: They are putting up some money now to pay off some of the debentures. The city issued debentures for \$1.5 million, back in 1949. They have that interest in it.

MR. REAUME: There has always been an argument as to who actually owns it, and at the rate of paying off \$150,000 a year on the old debt, I do not know how long it is going to take until it is actually paid. So it would appear that the proper procedure is to meet

with the people of Windsor and try to re-finance that debt and bring it down, because at that rate it is just going on and on.

Moreover, I understand the company is operating "in the red", so immediately, if not sooner, I think the hon. Provincial Treasurer should do something about it, find out the situation.

HON. MR. PORTER: Well, we have some money in it; I think it is in our interest to see what we can do. But unfortunately, it is a marginal concern at the present time. It is one of the things in which we have become involved in order to help the city of Windsor.

MR. REAUME: Oh, it is an old affair, it has been going on for years.

HON. MR. PORTER: That is right, but the province got into it to help the city of Windsor.

MR. REAUME: It is a hangover, naturally.

HON. MEMBERS: The hon. member was the mayor.

HON. MR. PORTER: Not that long ago.

MR. REAUME: Oh, prior to that. Vote 2,108 agreed to.

ESTIMATES, DEPARTMENT OF ECONOMICS

On vote 301.

MR. WHICHER: This is a new department. I wonder if the hon. Provincial Treasurer would say something about its operations and so forth?

HON. MR. PORTER: This department, Mr. Chairman, is a development of a branch of the government that was established during the last years of the war, and has been carried on since, originally as the statistics branch, attached to The Treasury Department.

The work of that branch has expanded to a very great extent. The Department of Economics has had a great deal to do, for instance, with the preparation of all the material in connection with hospital insurance, a problem which is not merely a health problem, it is largely a financial problem, and one that requires study from the point of view of making projections and studies of projects in other parts of the world, amassing that information and getting it to the point where some definite plan can be worked out.

That is one of the very large jobs that the department has undertaken in the last year or more. In addition to that, another special problem which they had a great deal to do with was the water resources commission, in setting it up and working out the measures that had to be dealt with there.

There are many other problems from time to time, problems of taxation, the incidence of different types of taxes, and problems that have to do with the fiscal relationship between the province and the federal government. The carriage of all those inter-governmental matters has been for a long time in the hands of The Department of Economics, and to a large extent by the staff that is now part of that department.

That is generally the scope of the type of work that the department is engaged in, Mr. Chairman, and it has become a very essential branch of the provincial government today. It is almost impossible to carry on today without the fullest possible amount of information of this nature on the various subject matters with which we have to deal by way of legislation or otherwise.

I do not know that there are any other particular detail matters I have in the mind at the moment, unless the hon.

member for Bruce has any particular question.

Vote 301 agreed to.

SUPPLEMENTARY ESTIMATES

The Department of Education.

Vote 418 agreed to.

The Department of Health.

Vote 517 agreed to.

The Department of Highways.

Vote 606 agreed to.

The Department of Planning and Development.

Vote 1310 agreed to.

The Treasury Department.

Vote 2108 agreed to.

Hon. Mr. Porter moves that the committee do now rise and report certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. C. JANES: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions, moves the adoption of the report, and begs leave to sit again.

Motion agreed to; report adopted.

HON. MR. PORTER: Mr. Speaker, tomorrow we shall take up bills on the order paper, proceed with the budget debate, and there will be no night session.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 5.55 of the clock, p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, February 28, 1957

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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

THURSDAY, FEBRUARY 28, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting reports by committees.

MR. S. L. HALL: Mr. Speaker, I beg leave to present the third and supplementary report of the standing committee on standing orders and move its adoption.

CLERK OF THE HOUSE: Mr. Hall presents the third and supplementary report of the standing committee on standing orders:

Your committee recommends that the petition of the corporation of the town of Fort Frances praying that an Act may pass validating a by-law of the corporation authorizing the sale of the Fort Frances Municipal Telephone System to the Bell Telephone Company of Canada be forthwith received, and that the provision of rule No. 63 respecting the time for receiving petitions and of rule No. 66 respecting the time of the publication of the notice be suspended as they apply to this application.

Motion agreed to.

MR. J. A. MALONEY: Mr. Speaker, I beg leave to present the fifth report of the standing committee on private bills and move its adoption.

CLERK OF THE HOUSE: Mr. Maloney presents the fifth report of the

standing committee on private bills, as follows:

Your committee begs to report the following bills without amendment:

Bill No. 32, An Act respecting the municipality of Neebing.

Bill No. 33, An Act respecting the township of Grantham.

Bill No. 35, An Act respecting Sacred Heart College of Sudbury.

Your committee begs to report the following bills with certain amendments:

Bill No. 19, An Act respecting the board of education for the city of Windsor.

Bill No. 36, An Act respecting the city of Sault Ste. Marie.

Your committee would recommend that the following bill be not reported:

Bill No. 37, An Act respecting the town of Hawkesbury.

Your committee would recommend that the fees, less the penalties and the actual cost of printing, be remitted on Bill No. 35, An Act respecting Sacred Heart College of Sudbury.

Your committee recommends that the provisions of rule No. 63 respecting the time for presentation of private bills be suspended as it applies to the introduction of a bill intituled, "An Act respecting the town of Fort Frances."

Motion agreed to.

MR. SPEAKER: Presenting petitions.

HON. G. H. DUNBAR (Provincial Secretary) : Mr. Speaker, I beg leave to present to the House the following :

Second Annual Report of the Ontario Telephone Authority of the province of Ontario for the year ended December 31, 1955.

MR. SPEAKER: Reading and receiving petitions.

CLERK OF THE HOUSE: The following has been received :

Of the corporation of the town of Fort Frances praying that an Act may pass validating a by-law of the corporation authorizing the sale of the Fort Frances Municipal Telephone System to the Bell Telephone Company of Canada.

MR. SPEAKER: Motions.
Introduction of bills.

THE SUCCESSION DUTY ACT

Hon. Dana Porter moves first reading of bill intituled, "An Act to amend The Succession Duty Act."

Motion agreed to; first reading of the bill.

TOWN OF FORT FRANCES

Mr. W. G. Noden moves first reading of bill intituled, "An Act respecting the town of Fort Frances."

Motion agreed to; first reading of the bill.

THE MINING TAX ACT

Hon. P. T. Kelly moves first reading of bill intituled, "An Act to amend The Mining Tax Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the amendments are in section 1, subsections 1

and 2; the amendments increase the tax on profits from mining operations where the profits exceed \$1 million.

Subsection 3; the purpose of this amendment is to permit companies to claim a total of 100 per cent. of the cost of depreciable mining assets.

Subsection 4; the subsection repealed is spent.

Subsection 5; the purpose of this amendment is to deduct from other expenses allowed the assistance receivable by mines under The Emergency Gold Mining Assistance Act (Canada) only as it is received.

THE TELEPHONE ACT

Hon. W. A. Goodfellow moves first reading of bill intituled, "An Act to amend The Telephone Act, 1954."

Motion agreed to; first reading of the bill.

He said: These are just a few minor amendments; there is really no principle involved as far as the changes are concerned.

THE DOG TAX AND LIVESTOCK PROTECTION ACT

Hon. Mr. Goodfellow moves first reading of bill intituled, "An Act to amend The Dog Tax and Livestock Protection Act."

Motion agreed to; first reading of the bill.

THE ADMINISTRATION OF JUSTICE EXPENSES ACT

Hon. A. K. Roberts moves first reading of bill intituled, "An Act to amend The Administration of Justice Expenses Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill and 4 others that I will introduce are all really ancillary to the announcement by the hon. Provincial Treasurer (Mr. Porter) of the \$1.00 per capita grant for the cost of administration of justice. I think it will all be apparent on second reading when the bill is printed and when hon. members see the exact details.

THE CORONERS ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Coroners Act."

Motion agreed to; first reading of the bill.

THE CROWN WITNESSES ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Crown Witnesses Act."

Motion agreed to; first reading of the bill.

THE CROWN ATTORNEYS ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Crown Attorneys Act."

Motion agreed to; first reading of the bill.

THE SHERIFFS ACT

Hon. Mr. Roberts moves first reading of bill intituled, "An Act to amend The Sheriffs Act."

Motion agreed to; first reading of the bill.

THE PRIVATE HOSPITALS ACT

Hon. M. Phillips moves first reading of bill intituled, "An Act to amend The Private Hospitals Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, in moving the first reading of The Private Hospitals Act, revision, 1957, I would like to inform hon. members the last revision was made in 1931. I do want, at this time, to pay tribute to our new commission, which is known as the Ontario hospital services commission. It was set up by the hon. Prime Minister (Mr. Frost) at the 1956 spring Legislature. The members of this commission are: Mr. Arthur J. Swanson, chairman; the Right Reverend Monseigneur Fullerton; and Dr. John B. Neilson of Hamilton.

I cannot pay too high a tribute to the work they are doing and the speed with which they got the full machinery going and they are implementing new ideas into the whole hospital field that are going to mean a great deal to our hospitals and the people in the future.

I do not want to forget those who administered The Public and Private Hospitals Act within The Department of Health, and I would like to mention some of them. Mr. C. J. Telfer, who was director, and his assistant, Mr. Roy Erdmann, assistant director; Dr. M. Stalker, chief inspector of hospitals; Mr. V. Gladman, and Mr. A. B. Meiklejohn, treasurer. He, along with the others I have mentioned, reviewed the applications for capital grants and reported back to the Minister of Health before the commission was set up.

Since the commission has been set up, Mr. Swanson has stated to me on more than one occasion that they have given him such good advice he would like to carry on this inter-departmental committee for some time.

These people have made, and are making, a great contribution in the hospital field.

I just want to mention 3 or 4 facts regarding this bill, this new revision of The Private Hospitals Act, and the first is: it transfers the administrative duties, as well as the enforcement of the Act itself, from a division within The De-

partment of Health to the commission. Our regulations, as passed about July 1, 1956, placed the commission under the Minister of Health. Secondly, they are raising the standards in our private hospitals so they can give better treatment with better facilities.

The last thing I shall mention is the matter of the physical structure of the building and making it more fireproof which, I know, hon. members will all agree is very important.

MR. SPEAKER: Before the orders of the day I would like to extend a welcome to the students from the Humber Valley Village public school, Etobicoke; Oak Park Junior High School, East York; and from the Northern Technical Commercial School. We also have in the gallery this afternoon to view the proceedings visitors from Stratford; a number of men representing the Kiwanis Club. We have a large group of ladies representing the Blue Lake and Auburn Women's Institute from the county of Brant. We welcome these groups to the Legislature today.

MR. W. J. STEWART (Parkdale): Mr. Speaker, I wish to qualify my remarks of yesterday with reference to the Lieutenant-Governor's residence. I am not complaining of newspaper coverage but I do regret that I may have left a wrong impression with some, by what I did not say and should have said.

That is, the present accommodation provides no living or sleeping quarters, only an office and limited space for public receptions.

I would now like this opportunity to make it crystal clear. If the Lieutenant-Governor is not at the time of his appointment residing in Toronto, he is required to purchase a residence, as did the present Lieutenant-Governor who purchased his own home on Forest Hill Road.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I would like to refer for a moment to the debate yesterday afternoon in respect to the

pari-mutuel tax. The hon. Prime Minister on that occasion made some remarks which, in my opinion, were misleading and I want to quote them to the House. At the bottom of G-7 of the *Hansard* transcript the hon. Prime Minister said:

Mr. Chairman, may I say, first of all, that the 9 per cent. is fixed by the federal government. That is not fixed by us. It is a matter which arises under the Criminal Code and is fixed by the federal government themselves.

The matter, of course, does arise under the Criminal Code and the Criminal Code provides a ceiling of 9 per cent., but it is not fixed, in that the Criminal Code does not prescribe that the amount shall not be reduced from 9 per cent.; and, therefore, it is not a fixed amount. The Criminal Code does not, in any way, suggest the Jockey Club or the association, as the case may be, could not reduce that rate from 9 to 5 or 4 per cent. and so on down the line.

HON. L. M. FROST (Prime Minister): We have no powers whatever.

MR. OLIVER: I am not suggesting the hon. Prime Minister has, but I do suggest his remarks were misleading in this respect. It was suggested quite clearly the amount was fixed. The ceiling is fixed and that is all. The amount can go down under the ceiling, right down to one per cent.

While I am on my feet I would like to point out what happened in this particular regard. The hon. Prime Minister said yesterday the total take should be around 15 per cent. That was suggested as a measure to prevent or restrict lawlessness or any of the other factors he brought into the discussion.

In this case, if we are going to levy the 15 per cent.—the combined levy as between the province and the Jockey Club—the Ontario government is taking the whole load on its shoulders. It has dropped its rate from 12 to 6 per cent. while the Jockey Club has retained a very high cut of 9 per cent.—in fact as

high as they can go—and if the ceiling had not been 12 per cent. I imagine they would have gone all the way up. I suggest that is not a fair distribution of responsibilities. The government in this case, as I said yesterday, have given way to the Jockey Club and have given in to them.

HON. MR. FROST: Oh, no.

MR. OLIVER: They certainly have and there was no need for this government to drop its rate from 12 to 6 per cent. while the Jockey Club retains their full height of 9 per cent. What the government has done is that they have pulled out of the field so the Jockey Club could build the new Woodbine. It is the people of Ontario who have paid.

HON. MR. FROST: Mr. Speaker, may I say the statement I made yesterday on page G-7 is exactly right in all particulars.

MR. WHICHER: No, it is not. The amount is not fixed.

HON. MR. FROST: The Jockey Club or the racing associations in Ontario previous to, I think it was about 1954 or 1955, were receiving a lower rate. These racing associations, including the Jockey Club and many other associations, were receiving an amount which was around 7 per cent. As a matter of fact, they made representation to Ottawa to increase the amount and, accordingly, section 178, subsection 4, was amended by the federal government to permit them to retain an amount not to exceed 9 per cent. and I would say to hon. members of the opposition, all of them took it immediately. Of course they did.

I would say the federal government at that time, in its wisdom, raised the amount because they felt the Jockey Club and the association were not receiving enough. These people made representation to Ottawa. The amendment took place on June 8, 1952, by reason of an amendment passed by the federal

government. It was an amendment to the Criminal Code in which the amount was raised from an amount not exceeding 7 per cent. to the present amount not exceeding 9 per cent.

It is well known that these people made representations to Ottawa that the amount they were receiving was not sufficient for them to get along with. Accordingly, the federal government, in its wisdom, raised the amount to an amount not exceeding 9 per cent., and immediately they took it. I would point out that if it was too much then it was up to the federal government to fix the amount that was proper for the track.

I presume that these various associations — and there are several of them — have no doubt presented their financial statements to the government at Ottawa and said "We are not getting enough," and accordingly, the federal government raised the amount. If they did not do that they were certainly guilty of a good deal of negligence, I think it will be agreed.

MR. OLIVER: The hon. Prime Minister does that, too.

HON. MR. FROST: I do think that the hon. Leader of the Opposition, who knows the motive of the federal government — the Liberal government — at Ottawa, ought to check up on these things and find out. If the rate of 9 per cent. is not needed, why in the world did the federal government fix the amount? It would seem to me that the onus is entirely on them, and proves that the statement which I made was exactly and precisely right.

I would point out that the reduction of our tax has an entirely different effect. If our tax is reduced, as it was — and I will give the particulars in a moment — the reduction of tax does not in any way go to the racetrack.

I think yesterday somebody here mentioned the reduction of the amusement tax. It was the hon. Leader of the Opposition. I would say that if we were to reduce amusement tax in any class, the operator of the theatre, for example,

could collect the amount of tax that we reduced by keeping his price at the same level. That I think is obvious. I recall when the amusement tax was started and removed by the opposition many years ago; at that time they provided, as we provided, that the reduction of tax must be passed on to the people.

In the racetrack tax the operation is entirely different. If we reduce the tax it is not the racetrack organization that gets the reduction in tax; it is the person who receives the winning bet. It is the betting pool. It is the betting public that receives the benefit of any reduction in tax that we may make.

In other words, if such a thing happened and the 6 per cent. tax that we presently impose were removed, it would not mean anything to the racetrack managers, but it would mean something to the person who bets. The amount of his take would be raised, I suppose, approximately, by about 6 per cent. That is the effect of it.

Any reduction of tax that we make there does not go to the racetrack people at all. It goes to the bettor; and the Ontario government, in reducing the tax, did not make a contribution of one penny to any racetrack. The contribution which was made to the racetrack was made by the government at Ottawa, which the opposition supports, by raising the amount of their take from 7 per cent. to 9 per cent. Is that plain?

These are the actual facts of the situation, and what I stated yesterday was exactly and precisely right. It was exactly within the 4 corners—and I have used that expression before—of what has happened. The only benefit that the racetrack officials received was by the action of the federal government at Ottawa, and not the action of this government.

May I, while I am referring to this, give some other particulars, because this is a very interesting matter. It is one to which I devoted considerable attention some years ago.

May I point out what is the operation of the bookmaker and why it reduces his take? The situation is this, that the bookmaker in the province of Ontario is entirely illegal. The bookmaker pays no tax and contributes nothing to the racetrack. His is an illegal operation.

I would point this out, that if a person—this figure is, of course, a large figure, and no hon. member would ever think of betting this amount, although possibly there may be some people who would — were to bet, or if there were a total sum placed with a bookmaker, in the amount of \$20,000 for a racetrack bet, at 22.5 per cent. we would be giving the bookmaker a margin of \$4,500, which really ought to go to either the track or to the government. He would get that amount, and this makes it attractive to him to do business with the public in an illegal way.

At 15 per cent. he would have a \$3,000 margin, which, of course, is quite considerable.

But there is this element, that the average citizen of this province does not want to engage in illegal betting. He is a decent fellow. He does not want to engage in things illegal. It is only when he is driven into the arms of the illegal person by means of taxation, in this case deductions from the pool that are uneconomic, that the situation is created of an ordinary man going to a bookmaker to do business.

When I say 15 per cent. it may be asked: Where do I get that figure? That figure was arrived at by the officials with whom I worked when I was Provincial Treasurer after a long period of years, and after much experience and considerable investigation.

It was found, too, that if there was more than 15 per cent. taken from the betting pool, then we got to the point where there was the urge on the part of the individual to say: "Now, these fellows are taking too big a percentage and I am going to go to Mr. Jones, the bookmaker, the one who has the telephones, and I will get a better deal."

That is the point of no return, which is an expression I saw in the newspapers as having been used in Ottawa the other day. It is the point where the person, or the ordinary man in the street, objects. I would say that is a fair percentage at which we arrived after long experience.

May I give the particulars of the operations. There is only so much money in a province like Ontario that can be bet. For that reason, too, the economics of things comes into the picture.

If, for instance, there were 10 more racetracks in Ontario, I doubt very much that the total wagered would be any more than it is now. I think, perhaps, that the economics of things are such that the present racetracks and facilities are sufficient. I shall speak about the economics later on.

Some may think it is too much. Some of us may look at these amounts and think it is a lot of money; but, nevertheless, it exists. Such a situation is authorized by federal authority; and as a matter of fact it has been part of the life of our people, whether we like it or not, since the days of Governor Simcoe. There are people who like that sort of thing. They go there by the thousands.

Let me now give the results. Up to June 8, 1952, the tax was 17 per cent.—and I am taking them after the amendment to the Criminal Code increase, in which the federal government increased the take of the racetracks to 9 per cent. In that period of time, the tax ran from 17 to 21 per cent. The betting pool, in round figures, was \$41 million, and at 17 per cent. our take was \$3.6 million.

Then in 1953 it persisted about on the same line. In 1954 we reduced the tax by one per cent. The pool went up from the figure I have mentioned to \$57 million, and our take, instead of being \$3.6 million was about \$4 million. In other words, with the lower percentage, and because of the increase of the pool, our take was increased.

I had been advised by my officials and others that that would be the case. At the time I was somewhat like the man from Missouri. I wondered as to whether the reduction, or the total deductions, from the pool would have that effect. The argument to me was: "If you do that you are going to transfer more money from the bookmaker to the legal pool." Certainly by every appearance that has been carried out.

In 1956 we reduced the rate on the total take down to 15 per cent. The total amount of the pool went up to \$70 million, and our take went up to \$4.25 million. In other words, with 6 per cent., because of the increase of the pool, our amount increased. The take was not reduced at all; but our receipts, from the treasury standpoint, were increased by \$350,000, approximately.

Those are the facts of the situation, and I think the hon. Leader of the Opposition will agree that the course we took was one of wisdom and common sense.

I would point out that in 1952 we had a graduated tax from 8 per cent. to 12 per cent.—at that time we took in \$3.6 million. Since 1955 we have operated this 6 per cent. tax, and our take has been \$4.25 million. In other words, we have increased in that time by about \$750,000.

Not only by the reduction of our tax to what was felt was the point of no return—the economic ceiling—did our tax receipts increase, but we transferred the take from the illegal pool from which the government and the racetracks receive nothing. We transferred money wagered at the bookmakers—very huge sums of money—into legal betting.

I think the hon. Leader of the Opposition will agree that this policy has been a sensible, sane policy. If we were to do what has been suggested by the hon. Leader of the Opposition—that is, increase the tax again—undoubtedly we would find that the pool would go down and the bookmaker would flourish once again.

I would say that we have the book-making situation in the province of Ontario at the lowest and most satisfactory level that has applied in many years.

The root of our difficulty—and it is a very serious difficulty—is that in the days of war, I think it was an Ilsley budget in 1941, an additional tax of 5 per cent. was imposed. That raised the total take from the pool, as I say, to 22 per cent. I had many consultations with the provincial police in connection with the highly undesirable situation which existed in the province and the extreme difficulty—I would say the almost insuperable difficulty—in meeting that illegal betting situation, with which is associated all sorts of crime and which is most difficult to control.

I would say the expedient which, in the end, we used—and the most satisfactory expedient—was the reduction of the tax and the take to an economic level, thereby increasing the pool and as a result benefiting our position to the extent of about \$750,000. It will be agreed that is good sense.

But the good work of this government is being continually upset by these people down in Ottawa. Did they consult us about raising the ceiling from the race-tracks? Not one bit. We were not asked one word about it. All we did was to read in the newspapers that they had done it. By so doing they upset the policy that had been announced and discussed in this House.

Another serious objection is this, that after we got the rate down to the economic level of 15 per cent., along comes Mr. Gardiner, the opposition's great friend down at Ottawa, and he imposes a special federal tax of one-half of one per cent., which is not a figure—

MR. WHICHER: Who is running it?

HON. MR. FROST: I would say to the hon. member that he is always standing up for Ottawa. If he would stand up for old man Ontario and help the Ontario people—

That is the explanation, and I am satisfied that every prudent man, woman and child in this province will say that it is a good one.

MR. WHICHER: Mr. Speaker—

MR. SPEAKER: No debate.

MR. OLIVER: The hon. Prime Minister, on occasions, makes the most ridiculous of arguments, in my opinion, and I am going to say why: in the first place, he said there was lawlessness when the rate was at a combined total of around 20 per cent. So, he brings the provincial cut down to 6 per cent., and he tells us this afternoon that this has been responsible for removing, in a measure at least, the lawlessness that existed heretofore on the racetracks.

To carry the hon. Prime Minister's logic to its ultimate conclusion would be to take the provincial cut out altogether and therefore remove all the lawlessness. Such a ridiculous premise on which to argue by the hon. Prime Minister who pretends he needs money! There is no place better to get it than that.

The hon. Prime Minister says, "Look at what we have done; we have cut the provincial take from 12 per cent. to 10 per cent., to 6 per cent., and while we were doing that, and after we had accomplished this feat, we find the betting pool increasing year after year" — increasing because he cuts the rate!

The percentage reduction had nothing whatever to do with the increase; it is simply a reflection of the economic conditions in this province. It is a reflection of the same kind of thing that brings in additional revenue for this government year by year. If the hon. Prime Minister had retained the 12 per cent., he would have obtained twice as much money out of the racetracks.

HON. MR. FROST: The year 1953 was a pretty good year in Canada; that was a federal election year, and they said it was one of the best in Canada. 1954

and 1955 were also good years. With these progressive reductions in taxation, the betting pool — and that is the pool which the bookmakers gets into — has increased from \$50 to \$70 million.

MR. WHICHER: Not because they reduced the tax.

HON. MR. FROST: No. The hon. member says that if we take the tax off altogether, we may have a further effect.

There are certain things in taxation which one can count on, and that is that we must remember that we are dealing in Ontario with 5.5 million or more people who are a fine moral group of people. They would prefer, for example, to go to a liquor store and pay the price that is charged there, and buy liquor legally, than they would go to a bootlegger and get it for less. They also prefer to go to a pari-mutuel system and bet legally through a government supervised method.

I would say that is where we reach that limit, at 15 per cent. When we get beyond that, we tend to reduce the return and tempt good people to go away from the paths of righteousness.

MR. WHICHER: Here endeth the first lesson.

REPORT, SELECT COMMITTEE ON TOLL ROADS

MR. A. J. CHILD (Wentworth): Mr. Speaker, in rising to make a few remarks and observations on the report of the select committee on toll roads and highway financing, may I first say how very pleased I was to be a member of the committee, under such a very capable and completely unbiased hon. chairman (Mr. Robarts), and I believe I would be remiss if I did not also pay tribute to the efficient work of the secretary, Mr. Don Collins.

Mr. Speaker, all of the members of the committee have spent many hours studying the somewhat complex prob-

lem of toll roads and highway financing, and I believe, after sifting through reams of reports, briefs, and the reports of delegations, the committee has come up with a reasonably sound report.

I say "reasonable" because I do not believe that with any report, when there are 10 or 11 members, sitting on it, it would be possible to come up with a report that would be perfect in the eyes of all concerned.

I believe, Mr. Speaker, we should all recognize the fact that any additional money raised for highway construction must be considered a form of tax regardless of how it is disguised.

With a backlog of \$782 million, and an estimated deficit in 1957 of \$58 million, and increasing demands for improved four-lane highways, we will need substantially more from highway revenue if we are going to fulfil the highway needs without going further in debt. That would mean we would have to take funds from general taxation, which would undoubtedly leave some of our other departments short.

I might add the backlog is due to the shortage of materials during the war years and the phenomenal post-war industrial growth, together with the tremendous increase in the use of motor vehicles by the greater population in Ontario today.

Unfortunately, many people avoid highway travel because of the congestion and risk of accidents, and would be more than happy to use improved facilities which are not congested for better control of access and travel which are much safer.

Now highways may be expensive, but the outlay in a large measure is returned to the people of the province by the industrial developments which locate along the super-highways, as did industry locate along the railway lines at the turn of the century.

The saving in time is an important factor in our business way of life. Accidents, which are all too frequent on our present-day highways, would be

reduced considerably on a controlled access highway. A reduction of accidents would, of course, result in a reduction in our insurance premium costs.

If we look at it from this angle, I believe hon. members will find it is accurate to say that any delay in the construction of new highways could add to the cost of a community because of the traffic congestion, travel time, accident damage and, of course, the loss of industrial assessment.

We are informed the New York thruway attracted \$150 million worth of industry in approximately a two-year period.

Since other hon. members will be speaking on the report, I would like to confine my remarks mainly to toll roads and structures.

Last year I spoke in favour of toll roads as one method of finance, and since that time I have read and studied a great many briefs, remarks from delegations, and information obtained from toll road authorities in the United States. My mind was completely open on the subject, and I was looking for information of sound reasoning from all those who were opposed to the construction of toll roads and the toll road principle.

However, after careful study, I found that the majority of information that I have sifted through only reaffirmed my original opinion that, where it is feasible, toll roads should be built and paid for as quickly as possible on a user pay system by tolls.

I have been advocating a toll road for some considerable time between Toronto and Hamilton, because I believed that there was sufficient traffic to support one and I am indeed pleased to support recommendation No. 3 in the report, which recommends an early study by independent engineers of a new, strictly controlled access highway between Toronto and Hamilton to determine its feasibility as a toll road.

I do believe this should be continued right through Hamilton as a by-pass, and I say "by-pass" because that is normally the term, although in our particular locality, it would be more expensive than it would be to go through part of it.

I would also like to say that the road should continue up and over to Niagara Falls so that the area on top of the mountain could be developed industrially and take some of the pressure off the wonderful agricultural land we have in the Niagara peninsula which industry is fast gobbling up.

I do not doubt for a moment that there is more than enough traffic to justify this high-cost super-highway as a toll road. This will indeed be a road of the future.

I believe the Hamilton area would benefit greatly, as I have said, by such a road, particularly on top of the mountain.

However, Mr. Speaker, I must say that basically I am opposed to any type of additional toll or tax, but it is obvious that we require additional revenue not only to expand our highway system but to catch up on the backlog. That is, unless of course as an alternative we are to retrench and thereby jeopardize the industrial expansion and economy of the province.

Realizing this then, the problem is to find the least painful means of extracting the tax from those who benefit.

I believe the principle of toll roads is sound, and it in no way interferes with the travel of an individual. One simply pays an additional tax if he wants to use a premium super-highway. However, if a person does not wish to use a toll road, then he can, by all means, continue to use the freeways which are now available; but since most Canadians travelling through the United States apparently prefer to use toll roads in preference to ordinary highways, I feel sure a strictly controlled access road would be well received between Toronto and Hamilton, and many of my constituents have so indicated.

We were informed that the death rate on the New York highway was only 2.6 compared to between 6 and 7 for a state, a national average on other roads. In short, about one-third. This of course, is worth considering if one is interested in staying alive.

Frankly, Mr. Speaker, we received very little opposition to tolling expensive super-roads anywhere in the province with the exception of one or two men who said they were from unions and one other organization. I believe I would be correct in saying that by far the majority of the people we heard from were not opposed to toll roads, if in this way we could build costly highways which would not otherwise be available.

MR. MacDONALD: The labour comes from your own city.

MR. CHILD: That is just one, and I would not be a bit surprised, from the tone of the meeting, if the hon. member had spoken to them well in advance.

MR. MacDONALD: Do not be suspicious; they have their own minds.

MR. CHILD: I would say their minds were influenced by the hon. member's.

With reference to the one organization that is supposed to oppose toll roads, I believe some interesting facts were brought to light at the meeting the committee held in Kitchener and was later followed up at a meeting we had with Mr. Warren Hastings in Toronto, November 1st.

I asked Mr. Hastings the following question:

Following the previous brief you presented, I discussed some contents with friends who were at that time members of the Ontario Motor League. Some of them expressed their opinions at the time which were considerably different from those in the brief, and they said that nobody had actually consulted them, that there was no vote taken as far as the Ontario Motor League was concerned.

Then following, in Kitchener on September 12th, his worship Mayor Wichell said, and again I am quoting from the transcript I heard:

Mr. Chairman and gentlemen, I am an executive member of the Ontario Motor League and an executive member of the Ontario Good Roads Association. One is opposing the toll roads—but not its executive or management. I am an executive member and was not even asked about it. Our President from Hamilton was not asked about it, but somebody wrote a brief and sent it to the government.

I asked: "Can you explain that, please?" Mr. Hastings answered:

Well, Mr. Chairman and gentlemen, the clubs of the Motor League are to a considerable extent autonomous. The policy of the Motor League with regard to toll roads has obtained, since its founding in 1907. It has been fighting toll roads. As I said in the brief, that policy has never been amended.

Mr. Speaker, 50 years ago there might have been justification for opposition to toll roads when you consider that there was no alternative route. However, since we have been informed that neither the executive nor the management of the Ontario Motor League are opposed to toll roads, and the membership have never been asked for their opinion, I submit it would be completely incorrect to say that the Ontario Motor League is opposed to toll roads.

Just for the record, and the information of hon. members, I believe the statement of Mr. R. Sandcock, who was president of the Waterloo Automobile Club, is also worth noting and I quote:

Our organization is not in accord with the brief presented by the Ontario Motor League. We have discussed it and we are definitely not against toll roads because we feel that the people who use the roads should pay for them.

As a matter of fact, Mr. Speaker, one member of the Ontario Motor League who attended with Mr. Hastings actually supported toll roads. The gentleman was Mr. A. R. Morrison, past president of the Canadian Automobile Association, and I quote from the transcript:

Mr. Chairman, may I ask Mr. Morrison a question?

"Yes, certainly."

Q. "You suggest you are opposed to any tax which would take any more money out of a man's pocket. Does that mean you are opposed to any new form of tax?"

A. "Oh, no."

Q. "You say something about taking more money out of a man's pocket whether by gasoline tax or by toll road."

A. "We feel the motorist has been taxed for everything he does from the very beginning. Even when buying an automobile he is charged a tax. As a matter of fact, as a Motor League and Automobile Club official, I am opposed to that."

Q. "If you have a feasibility report to show that a toll road between Hamilton and Toronto would pay, which would probably cost something like \$500,000 a mile, whereas if it were built as a toll road, it might cost \$750,000 a mile, if a feasibility report showed the road would pay for itself and that the road could be built in the next few years by using money other than from the current revenue, in which case we would have to wait 10 years for it, would you be opposed to a toll road or agree it should be built for the convenience of the public?"

A. "I think it would be a good idea provided we can be shown it would."

In other words, he supported the principle of toll roads and he supported a toll road from Toronto to Hamilton providing the feasibility report showed it would pay its own way. I do not think we can expect any more support

than that; I do not think any of the hon. members of this House would expect any more support than that.

Finally Mr. Morrison said:

"I think we have been opposed to that because of the information we have been given in our discussions in the Ontario Motor League which has been to the effect that there is not any road in Ontario which would carry sufficient traffic to pay for itself."

This, I suggest, Mr. Speaker, confirms what I said earlier that the Ontario Motor League is not opposed to toll roads as has been stated in the papers. Even Mr. J. Goodman of the Automotive Motor Transport Association did not oppose toll roads. ATA's position was one of neutrality.

I mention this specifically because it received headlines in all of the papers. Mr. Goodman said if the toll road offered a saving in time, fuel consumption, vehicle wear, and so on, over and above toll charges, then the truckers would patronize them.

I mention these two specific instances, Mr. Speaker, because newspapers have quoted both of these organizations as opposing tolls and since, Mr. Speaker, newspapers help to form public opinion, I believe that these statements should be correct.

I think that is a fair statement for anybody to make. I mention this because those two organizations in particular received considerable space in the press and, after all, one must realize the press can influence public opinion, and when two large organizations of that size oppose toll roads, one would expect them to have some good facts behind them. In essence, they did not oppose toll roads; both of them supported them.

No doubt the hon. members of this House will hear that toll roads have been discontinued in the United States but this is not for the reason that they would be considered an unsound investment, but rather because the federal government in the United States is paying 90 per cent. of the total construction

of interstate highways, which would, of course, include all of the toll roads now built.

On the other hand our niggardly federal government in Ottawa did not, and will not, contribute a penny to any road in the province of Ontario except the Trans-Canada highway which, of course, most people in Ontario will never see.

As a matter of fact, by way of interest, Mr. Speaker, more people will travel on the Queen Elizabeth Way on one holiday week end than will travel on the Trans-Canada in a whole year.

You know, Mr. Speaker, the federal government takes more in taxes from the automobile industry than is paid in the labour payroll to make the cars—approximately \$200 million annually.

That also includes a two-cent gas tax, which I believe most people do not know. There is a complete difference between two federal governments accepting the responsibility of road construction in two neighbouring countries. I see the hon. member shake his head, and possibly I should have said approximately two cents, because I believe it works out to 1.85 cents per gallon.

With regard to the committee's recommendation of tolling the Burlington bridge, if a feasibility report indicates it would be economically sound—under the circumstances, when the federal government withdrew its paltry little offer to contribute a share of approximately 12 per cent. of the total cost of the bridge and approaches, the committee did not have much choice but to recommend that it be tolled.

The province is having to spend \$18 million to bridge a federal waterway, and since the federal government cut through a roadway to build the channel—and they receive tolls for that; there are harbour charges going into Hamilton harbour—I submit it should be the responsibility of the federal government to pay the lion's share of the cost of the bridge, which would thereby avoid the imposition of tolls. Instead they welched

again on their responsibility to the people of Ontario and now the provincial government will have to build it alone.

I think here again is a case where the federal government did not come up to its responsibility. They welched again, and the people of Ontario are going to build this out of their own revenue.

Frankly, Mr. Speaker, it would not be altogether fair to spend \$18 million on one bridge in a particular location when there are approximately 415 bridges to be built or replaced on highways and secondary roads all over the province. This, of course, is because of the lack of funds and we just have not been able to replace the old structures.

The Burlington bridge is one of the 415 bridges included in our backlog. Both Hamilton city council and the Wentworth county council recommended a skyway bridge be tolled, and these two municipal bodies elected by the people represent over 250,000 population in the Hamilton area. Besides, this is a "natural" for a toll facility.

With so many American tourists on our roads not contributing anything to the cost of construction or maintenance, we would be able to collect somewhere in the neighbourhood of \$1 million a year that otherwise would be lost or have to be made up by taxpayers of Ontario.

Mr. J. French, president of the American Bridge, Tunnel, and Turnpike Association, told the committee that the American would not mind paying tolls so long as he does not find its discrimination directed just against him. Mr. French's comments—and he is an authority on toll roads—said, as far as the Burlington bridge was concerned, that the bridge should be tolled if it had a freeway running alongside it, and since the federal government has now agreed to a city of Hamilton request to build a new bridge to replace the old bascule, there is not any question that there will be an excellent freeway to all who wish to use it. From the point of view of the Ontario residents who live in the Hamilton area, they will have a choice of 3

ways to use the Burlington road facilities:

1. They can continue to use the present road which will have, as I mentioned before, the new bridge, and with a large portion of the traffic using the skyway, there will be very little congestion except when a boat goes through in the summer time.

2. Or, they could pay during the summer time when there is late traffic, and use the present road the remaining part of the year.

3. Or, as has been suggested, they could purchase an annual pass which has been recommended by the committee for a reasonable sum, which would entitle them to use the toll bridge as many times as they wish. If the pass cost \$10, any person using the bridge daily going to and from work for 50 weeks in the year, and making the odd trip back into Hamilton in the evening for shopping or entertainment, would only be paying approximately the cost of a cigarette per crossing which certainly could not be considered expensive.

I do not think anybody would object to paying that for the use of an \$18 million structure when they know the monies they are paying in are also being collected from the Americans. The \$18 million could be used to assist other parts of the province in our rural areas to build some of the needed bridges and structures.

In conclusion, Mr. Speaker, I would like to make reference to recommendation No. 7 which is: "Immediate studies be instituted to develop the necessary rates for the imposition of a weight-distance tax." Although there isn't any question that this system is by far the most equitable means of collecting tax, it is, of course, a new form of tax and does present administration problems in the collecting of the tax which can be expensive. Also, the system may lend itself to evasion unless strictly enforced.

Personally, I believe a combination of the variable fuel tax and the adjusted

registration fees is an excellent way of collecting tax on a reasonably equitable basis, and at the same time, eliminating most of the problems that go with the administration and the collecting of what the trucking industry feels is a third structure tax.

Mr. Speaker, there are only two ways to remedy the shortage of highway revenue — one is to get extra revenue from a new form of tax or additional taxes on present sources; the other is to reduce cost or spending. Since this second method would affect the expansion and economy of the province, and since the public is demanding increased highway facilities, we do not have much choice in the way of remedying the shortage of highway revenue.

I believe one point I should mention in closing is that, with the expansion of the highway construction programme, there will be a definite need for more experienced engineers, and this, I suggest, should receive top priority.

MR. R. WHICHER (Bruce): Would the hon. member permit a question?

MR. CHILD: Certainly.

MR. WHICHER: What does the hon. member think of the action of the government in implementing only one recommendation of this committee, namely the increase in gas and fuel tax, while completely ignoring No. 6, and furthermore, in ignoring recommendation No. 7 that there should be an imposition of the weight-distance tax immediately?

HON. L. M. FROST (Prime Minister): Mr. Speaker, the hon. member surely does not think he is always laying pitfalls and that sort of thing, but what I am about to say may have some bearing on that.

I compliment the toll roads committee very much on their report, and in that I include all the hon. members; both the hon. members who signed the report and

the hon. member who did not sign the report.

I think the hon. member who did not sign the report made some very useful contributions to the work of that committee, and I think his views are very well worth considering. There are some things the hon. member has proposed, or said, not the way he said them, but some of the things he has said, with which I agree. There are many points worthy of consideration.

I thought I would take this opportunity of saying that, in the light of the studies made by the select committee on toll roads and highway financing, and earlier by the select committee on highway safety, it appears to be advisable, as a first and very important administration step, to consolidate the administrative functions in relation to a number of highly important matters that were brought about in the consideration of those committees.

Presently, these matters are being dealt with by 4 departments, The Department of Highways, The Department of the Provincial Treasurer, The Department of Municipal Affairs and The Department of the hon. Attorney-General. It is necessary that these various departments continue to be very vitally interested in certain matters concerning highways.

I think all hon. members will agree that it is impossible to consider administratively taking away the administration of justice insofar as it relates to highways from The Department of the hon. Attorney-General. That is where it belongs, and it is the only feasible place for it.

I have given a great deal of consideration to this matter. It is desirable that there should be a stronger co-ordination of functions of these various departments relating to these problems than is now possible. I was very much interested in the speech of the hon. Attorney-General (Mr. Roberts) yesterday in relation to the matter of highway safety which, of course, concerns this matter.

The administration of motor vehicle licencing has a very direct bearing on highway safety. Highway safety likewise includes the rules of the road, driving, and the enforcement of law. Highway-user taxation is a very large subject which must be dealt with progressively from time to time.

It was deemed advisable two years ago to transfer the collection of gasoline tax to The Department of the Provincial Treasurer; it was one of the conditions and recommendations of the Gordon report, and there is no doubt that in itself the collection of that particular tax by the hon. Provincial Treasurer is still valid.

Nevertheless, studies which have been made by the two committees, namely the toll roads committee and the highway safety committee, pretty clearly indicate that the studies in relation to proper highway use, the problem of depreciation and deterioration, must to a very large extent be encountered in a department having actual day to day experience in these problems.

The functions which I have mentioned, of course, are connected with The Department of Highways. We must agree that the organization of The Department of Highways must very necessarily emphasize highway construction and maintenance. They have this year, if the House approves of the estimates, a \$225 million job, which I might say involves a master plan in this province, providing for the development of all sections of Ontario. That alone is a big job.

It is difficult to imagine the Deputy Minister of Highways, who is the executive chief of that department, and whose job is primarily the head of a great construction company, being called upon to deal adequately with problems relating to highway safety, studies of taxation, licencing and other such matters. I think that is one of the weaknesses in organization pointed out by this committee's report.

The report of the committee has demonstrated that the present basis of fuel tax is not the whole answer. It is

very plain from what the committee said that the present basis of fuel tax, as it applies to gasoline and diesel fuel, is not the whole answer. I think that has been mentioned here, and that matter was implied in the question by the hon. member for Bruce which was so carefully prepared and presented. The committee in fact has found it is not equitable insofar as heavy vehicles are concerned.

I was interested in what the hon. member for York South (Mr. MacDonald) said about that subject. He very definitely has something there, and I think that is borne out by the committee.

MR. MacDONALD: Why all the sweetness and light?

HON. MR. FROST: I always endeavour to present my arguments in that way.

MR. MacDONALD: When the wolves behind the hon. Prime Minister have him terrified into doing something.

HON. MR. FROST: Of course, part of what I am saying today was prompted by the fact that I read the speech of the hon. member for York South in the last edition of the *Toronto Daily Star* last night. I would say to the hon. members that, if anything was needed to convince me of the necessity of doing something, it was when I read his speech last night about the Treasury labouring to bring forth a mouse and bringing forth a flea.

MR. MacDONALD: Mr. Speaker, may I just point out to the hon. Prime Minister—

HON. MR. FROST: I was trying to be nice and the hon. member got me into this.

MR. MacDONALD: Mr. Speaker, this is just one of those instances in

which the hon. Prime Minister had given prior permission for interruption and I have agreed to interrupt the hon. Prime Minister only one-third as many times as the hon. Prime Minister interrupts me.

The reason why I did not get the opportunity to make a speech last night was because the hon. Prime Minister was indulging in his usual behind-the-scene pettiness in pushing the opposition around. Last night, the hon. Provincial Treasurer, presumably on the instructions of the hon. Prime Minister, said today we were going to have some bills, and then we would go on to the budget debate. But now we have other matters before the House. This is just another way of pushing the opposition around. At the end of the year, he will rush things through, even call private members' resolutions at a moment's notice when he sees that the hon. members involved have momentarily left the House.

HON. MR. FROST: I think the hon. member's argument is about as foolish as that of the hon. Leader of the Opposition (Mr. Oliver) this afternoon.

MR. MacDONALD: It is not foolish.

HON. MR. FROST: Surely the hon. member is not saying that the speech he was to deliver today in the Legislature has anything to do with the speech which appeared last night in the *Toronto Star*?

MR. MacDONALD: I will send a copy of the release which has on top of it "Release when delivered in the Legislature," and under any normal circumstances, if the opposition had not been pushed around, I would have had an opportunity to deliver it yesterday, about the time it came out on the streets. The mixup in the papers results from another exhibition of the government's own petty manoeuvring behind the scenes.

HON. MR. FROST: I recognize that these things happen and I might say that I read the speech.

MR. MacDONALD: It is a good one, and there is one thing for certain, I will get a chance to deliver the speech before the end of the session.

HON. MR. FROST: I hope the hon. member does deliver it here.

MR. MacDONALD: I shall. Now, let us get back to toll roads.

HON. MR. FROST: I was starting to get along so nicely with the hon. member when he started this thing.

MR. MacDONALD: If the hon. Prime Minister wants to fight, all he has to do is start it.

HON. MR. FROST: I will get back to the tenor of my remarks.

MR. WHICHER: By answering my question?

MR. MacDONALD: This is the answer.

HON. MR. FROST: The government is anxious—

MR. MacDONALD: He goes to the bottom of the barrel to explain a ripple on the top.

HON. MR. FROST: The government is anxious, as are the hon. members of this House and the committee, that taxation should be fair and just, and that certain classes of vehicles should not bear an undue share of the burden.

This is the constructive point of this matter: it has been decided to establish a Department of Transport where such matters as licencing, highway safety, highway user taxation, and other matters will be covered. The Departments

of the hon. Provincial Treasurer, hon. Attorney-General, Municipal Affairs and Highways will continue to have an interest in this subject, but generally speaking, the matters relating to highway transportation will be dealt with by a separate department.

MR. OLIVER: Mr. Speaker, if I may ask a question? Is the hon. Prime Minister suggesting a brand new, fully fledged Minister in charge?

HON. MR. FROST: Not necessarily a Minister in charge, but I think it is desirable to co-ordinate the various matters that are in a large manner referred to in this report to a department which has its own Deputy Minister. I think I might elaborate on that; I do not think it is necessary to have a Minister, but studies can be instituted, and this is a very important matter. Under this department could be determined the proper cost responsibility of various types of weight groups of highway users, so that a fair and proper programme of taxation can be developed for the province. I think it will be agreed that adequate weight enforcement is necessary in any case before such a taxation system as a weight-mile tax can be applied.

One of our problems, and I know the opposition will agree with this; one of the problems of the weight-mile tax is that of satisfactorily enforcing and administering that matter. Coincidentally with the committee, I have given a very considerable amount of attention to that, as the hon. members of the committee know; I had some of our senior civil servants investigating that tax approach and they reported upon it to the committee. This is a problem full of difficulties, but I must say that I think it is not impossible to solve.

Personally I feel strongly that in the larger types of very heavy motor vehicles, a weight-mile tax is definitely within what is feasible.

There is very much to be said concerning the heavier classes which are referred to in the report, that a weight-mile tax is

something which we should very definitely assess, and if possible impose that type of tax. I agree with the committee and the officials of the government that everything is not equity in a gasoline or a diesel fuel tax. There are variations and difficulties there.

At the time of the adjustment of the highway licences here a year ago, that matter was considered and we found a very difficult administrative problem of enforcing such a tax under present conditions. The method I have proposed is that they are going to take these matters and deal with them progressively in the coming years. By that, the great volume of the smaller trucks would be out of the picture, but with some of the very large transports and trucks which are using our roads, in many cases to the inconvenience of the small users—the hundreds of thousands of automobiles, and other vehicles—I think there is equity and justice in a type of weight-mile tax which is having its beginning in America.

I point out, Mr. Speaker, there are difficulties, of course, for every government. I think one of the conditions of a good tax is the ease with which it can be collected and administered. That is one of the requisites of a good taxation policy. So I would say, before anything such as I have suggested could be considered, it has to be weighed very carefully, administratively, by officials who have had the fullest opportunity of developing the administrative plans and requirements to do such a thing.

Highway safety and motor vehicle licencing are closely related problems which, under this combined administration, can receive very prompt attention.

It will be one of the important duties of this new department to have a close liaison with The Department of Highways, the construction arm of the government; with the hon. Attorney-General, who directs the department which must administer justice; with the hon. Provincial Treasurer, who, of course, must have the general direction of revenues and expenditures from a

budgetary standpoint; and with The Department of Municipal Affairs, which now and in the future will be very greatly assisting the municipalities which are deeply concerned about the road problem.

Generally, the new department is to be an agency through which close liaison can be produced.

I am very hopeful that this will be a constructive step to achieve some of the things that the hon. Attorney-General spoke about here yesterday. I do not give this as a final conclusion, but it is very probable that the Ontario highway transport board might be transferred from The Department of Municipal Affairs to the new department which would permit the board to continue to fulfil its quasi-judicial functions while, at the same time coming under the administration of the department and having a close association with the branches of the department engaged in licencing, weight enforcement, taxation and safety. This plan will enable planning and research to be co-ordinated and enlarged.

Mr. Speaker, again I advance this proposal and as a matter of fact, steps will be taken shortly to form such a department where we will have co-ordination of effort from which, I think, there will be a benefit along many lines including taxation and highway safety.

The whole great licencing problem of this province will not be dealt with by departments which now are constantly having to engage in other duties which become paramount with them in the course of their work. It is inevitable, in The Department of Highways, that the problem of construction will always be the paramount thing, and that was one reason for the Gordon recommendation in connection with the collection of highway taxes.

Mr. Speaker, I make that statement in furtherance of what has been proposed in this very fine report by the committee whose report we are considering today and will, no doubt, consider in the succeeding days of this session.

MR. OLIVER: Mr. Speaker, I had no thought of indulging in this debate until I heard the hon. Prime Minister propose to set up a new Department of Transport.

He does not know which Minister it will be under. He, perhaps, does not know whether it will have a new Minister of its own or not. One of the difficulties the hon. Prime Minister faces is that he would have some difficulty in persuading any one of the hon. members to head this new department.

HON. MR. FROST: I may have to take it myself.

MR. OLIVER: I just want to make this observation and to me it is very pertinent. The hon. Prime Minister says he is going to set up this department and is going to ask it to do a big job, and I agree there is a big job to do. He is going to have them study licensing. He is going to have them study taxation in order to put a fair tax on the motorists of this province, which the hon. Prime Minister suggests, and properly so, is a difficult assignment.

Therefore, he is going to have this committee, this new department, study very carefully all the aspects of this problem.

I would just point out, Mr. Speaker, having gone this far, the hon. Prime Minister's government puts on a two-cent gasoline tax without waiting for any report from this new department which is going to tell him, in due course, just how he should assess the motorists of this province for the payment and upkeep of roads. The hon. Prime Minister rushes in with indecent haste into a field which he now says this new department will look into and report to him.

I suggest that position is indefensible. What is the use of asking a department to examine a field and report on their finding when, before they have a chance to move, he steps into the field and imposes a two-cent gasoline tax?

HON. MR. FROST: I point out to the hon. Leader of the Opposition the conditions with which we are faced. I have listened to the opposition critic both this year and last year, and I will have something to say about that later. I have listened to others; I have read the report of the committee. It is, of course, necessary to raise the money to do these jobs. As a matter of fact, these things cannot wait.

I was reading one of the great evening dailies the other day which pointed out in editorials on succeeding days that it is the government which is faced with raising money. I say to the hon. Leader of the Opposition, I said so in Ottawa and in this House on several occasions, that the requirements of this entire province are for \$100 million more money than the tax arrangements at Ottawa have provided.

I will not go into why their arrangements were not realistic, and unfair to us at this time. I simply say that I was telling the truth about the proper assessment. This year, in the hon. Treasurer's budget, there was an increase of taxes over and above the level which we would receive on the basis of the Ottawa proposals; that is 9, 10 and 15 per cent. We have increased them by about \$15 million. I think that is right.

HON. MR. PORTER: Yes.

HON. MR. FROST: As a matter of fact, we are still at the moment \$40 million under the amount.

MR. MacDONALD: Not a natural increase.

HON. MR. FROST: Being \$40 million under the amount, hon. opposition members may ask why that is not levied. First of all, to endeavour to lessen the burden which our good people in this province are forced to bear because of the provisions of the Ottawa arrangements.

Secondly, in the sure and certain hope we face a better day some of these times

—and we hope it will not be too far removed—when we get the government at Ottawa to look at the requirements of this great province—

MR. MacDONALD: Not with a Tory organizer.

HON. MR. FROST: — to get the people at Ottawa to look at the requirements of this great province that is pulling 50 per cent. of the load of Canada and producing half of the dollars for Canada in its work.

MR. WHICHER: Is the hon. Prime Minister going to help make that change?

HON. MR. FROST: I would say to the hon. members of the opposition we have hopeful and optimistic feelings the day will come when there will be a change for the better. I would also point out that the tax we imposed here was spread over a dozen different sources, and I think the hon. members of the opposition will agree with this, and I am sure the members of the committee are fairly well agreed, that, to do the job ahead of us, we must have the money of which we spoke in this House as far back as two years ago.

We have endeavoured to avoid things that were harmful to the people, and make this load as light as possible.

AN HON. MEMBER: And unsuccessfully.

HON. MR. FROST: We have at least done our best, and I would say to hon. members of the opposition, that we are the progressive government. We are looking to the betterment of conditions.

I am quite sure that this new department will not pigeon-hole the recommendations and investigations of this committee, but will take those things and endeavour to better the tax situation in Ontario; and it may be in days to come that the gasoline tax can be, indeed, reduced.

In the meantime, it is the best we can do in the very difficult situation in which the people of this province have been placed.

MR. MacDONALD: An elaborate explanation.

MR. A. A. MACKENZIE (York North): I move the adjournment of the debate.

MR. MacDONALD: The government must straighten this out. We will not get a word in for a long time.

Motion agreed to.

THE GASOLINE TAX ACT

Hon. Dana Porter moves second reading of Bill No. 98, "An Act to amend The Gasoline Tax Act."

MR. OLIVER: Is he not going to try to defend his position at all?

HON. MR. PORTER: I am on the offensive.

MR. OLIVER: He is on the offensive? He had better say something, then.

HON. MR. PORTER: It speaks for itself.

MR. OLIVER: I thought the offensive always spoke.

HON. MR. PORTER: That is just the hon. member's impression.

MR. OLIVER: I can talk.

MR. MacDONALD: It is very difficult to explain.

MR. OLIVER: While the hon. Treasurer is collecting his thoughts I want to make just a few remarks on this proposition: that there should be

"loaded" onto the people of Ontario an additional \$20 million in gasoline tax for the coming year.

The government of the province has suggested that they need the money. The balance sheet of the province does not bear out that suggestion, or that contention.

We have never decided, it seems to me, in the first place, just how great a proportion of the cost of highways the motorist should bear. I have suggested on many occasions, and I do so again now, that the motorist should pay a substantial portion of the cost of maintaining and constructing our highways, but he should not be called upon to pay the full cost.

This House should be told, and there should be agreement among the hon. members of the Legislature, as to just what would be a fair and equitable proportion of highway costs which should be loaded onto the motorists. We have never reached any decision. There is no suggestion from the government at this time that the motorist should bear any definite amount of highway expenditure, and in the absence of that suggestion we are asked now to load an additional \$20 million on the motorists.

I for one have no intention of going along with the suggestion until the government comes forward with a plan.

The hon. Prime Minister mentions a master plan. If there is a master plan in evidence, if it is in the possession of The Department of Highways, it must have been kept as a deep, dark secret. The people of this province have never had an opportunity to look at it. They have never had an opportunity to ascertain that there has been any departure, in the mind of this House, through The Department of Highways, from the days when the investigator said there was no planning in The Department of Highways; and in view of that—

MR. CHILD: Mr. Speaker—

MR. OLIVER: The hon. member had better go back to playing hockey for a while.

There should be a master plan that sets out the prospective highways in this province for years to come. The House should be persuaded that the plan lays out these highways so as to develop this province; so as not to make great centres still greater, but to give an opportunity to those outlying areas to become greater than they are at the present time.

Yet, in the face of the absence of any plan the government comes forward and suggests that we should pay an additional two-cent tax on gasoline.

I suggest to this House and to the public that that is asking too much. We should not have been asked to vote this great amount of money for highway expenditure unless we are aware of what the department intends to do by way of a long-range plan for the development of this province on a systematic basis, so far as roads are concerned. In the absence of that, this government wants us to load \$20 million more on the motorists of this province.

I suggest that they have gone a long way in the wrong direction; without any evidence that they need the money. Without any evidence that they are prepared to spend it wisely in the right direction, they come to us and say, "\$20 million more." So far as I am concerned I am not going to vote for \$20 million more.

Another thing, Mr. Speaker, is that we are not persuaded on this side of the House, at least, that the department is ready and able to proceed upon this programme which they have in mind — if there is such a programme. We are not aware whether there are sufficient engineers to do the job that needs to be done in respect to highway development. We are told from time to time that engineers are in short supply. There has been no indication on the part of the government that they are moving and reaching out to get more engineers in order to complete this job.

The hon. Minister of Highways (Mr. Allan) may have a chance to speak in a moment; he is not always so anxious to

get on his feet. If he will just wait a moment he may have his chance to speak.

Then we come to the toll road report which has been discussed in the House this afternoon. The toll road committee recommended a number of things by way of increasing revenue and distributing that revenue equitably among the motorists of the province; and the government, with its usual lack of wisdom, looks to one field only and casts the others to one side.

MR. J. YAREMKO (Bellwoods): Will the hon. Leader of the Opposition permit a question?

MR. OLIVER: Yes.

MR. YAREMKO: If the hon. Leader of the Opposition would refer to page 47 of the committee's report, recommendation No. 4, this is a recommendation not being referred to at the present time.

MR. OLIVER: That is what I was talking about. All the others the government did not look at.

MR. YAREMKO: Recommendation No. 4, on page 47.

MR. OLIVER: What is it? Read it.

MR. YAREMKO: "... to equate the tax contribution for vehicles of the same size and weight powered either by gasoline or other fuels." There are other recommendations that are being put into force, and not just the one that is being referred to—

MR. OLIVER: There are a lot of recommendations that are not being put into force. That is for certain. The hon. member is suggesting that the government is taking two and leaving the rest. Surely that is what is being suggested.

MR. YAREMKO: I am suggesting that it is more than one.

MR. OLIVER: It is certainly not all.

I would think that the government moved into the job of implementing this report before the ink was dry on the report itself, just because one particular recommendation served its needs, to extract more money from the motorists of the province. If that committee had reported against an increase in the gasoline tax, I do not think their report would have been welcomed with open arms by the administration.

HON. MR. FROST: The hon. Leader of the Opposition is straying far afield in looking over these recommendations, and we really have taken action on most of them. I think he will find that further action will be taken in this session of the Legislature to set them off. "The committee recommends, pending a study by The Department of Highways with the object of establishing a proper basis of rates for imposition of a weight-distance tax . . ." I have announced a concrete policy to go ahead with such a matter as that.

MR. OLIVER: The hon. Prime Minister says he is going to do something more before the session is ended. Well, of course, this government is full of mysteries. One never knows from day to day what it may do. I will count the chicken when I see it, so far as this administration is concerned and its record of implementing recommendations from a committee.

We have the highway reserve account into which money is voted, and the government is voting \$20 million again this year. I would suggest to the government that they use that money rather than go to the people and ask them to pay an additional two cents a gallon on gasoline.

HON. MR. PORTER: The highway reserve account is a method of paying cash for the work we do. That is what it is; and I think it is a very satisfactory method of doing it.

MR. OLIVER: The point is that this government will not be using it this year.

HON. MR. FROST: Yes.

MR. OLIVER: I doubt that very much. I think the hon. Prime Minister had better reflect on that answer for a moment or so. I do not think it will be used this year — and the hon. Treasurer, I think, agrees with that.

There was no necessity of imposing a two-cent gasoline tax this year. None whatever. The hon. Provincial Treasurer knew that in his budget statement, but just "rushed in where angels fear to tread" and tacked on the two cents without considering fully the whole position.

HON. MR. PORTER: Surely the hon. Leader of the Opposition knows that the budget statement shows very clearly why we need the money. Is it his suggestion that we borrow more next year?

MR. OLIVER: Does the hon. Treasurer feel now that he would like to make a speech?

HON. MR. PORTER: No.

MR. OLIVER: That is a comment which the hon. Treasurer is making, is it?

I understood that there was quite a healthy balance on the right side of the ledger, and I say again that, financially speaking, this government did not any more need this two cents additional tax than a duck needs an extra pair of wings. I would suggest that the government just rushed into one tax. And if a gasoline tax was needed at all, how did it come about that it was increased by two cents instead of one?

Would one cent not have been enough? Of course it would. By increasing it one cent the government would have received half an amount sufficient to carry on. There was no need to put on any more this year.

HON. MR. FROST: The hon. Leader of the Opposition should read recommendation No. 1. That is the

recommendation in which there was general agreement. The only dissent was from the hon. member for York South: "The committee recommends an acceleration of the present highway programme"—the hon. Leader of the Opposition can see it in the figures submitted — "and that the gasoline tax in Ontario be increased to provide additional funds for the province for this purpose." That is a considered report on a non-partisan basis, including hon. members of his own party.

MR. OLIVER: I would like to see a programme before one starts collecting money to pay for the programme which is simply put on paper — and not on very good paper either.

HON. J. N. ALLAN (Minister of Highways): I would like to inform the hon. Leader of the Opposition that he will see a programme. He knows perfectly well he will see one. We have prepared, as a result of study, a programme which will be presented to this House before it prorogues, covering the next 20 years.

I suspect that the hon. Leader of the Opposition knows that he is going to see one. He has suggested many times, that such a programme should be presented, knowing such is planned and hoping he will receive some of the credit for such a plan.

MR. OLIVER: On that point, Mr. Speaker, I would just say to the hon. Minister of Highways, for his education and his enlightenment in this particular regard, that one has to keep on suggesting these things to the government, not once but 20, 30, and 50 times before it gets around to the point where it recognizes the merit in the suggestion.

The hon. Minister says now that he has a programme. Thank heaven for that. I am glad that he has one, because a great deal of money, presumably, is going to be spent. I am glad to hear that there is a programme. Would it not have been more fair to

present the programme to the House before the House was asked to impose more taxes to pay for a programme we have never seen?

HON. MR. FROST: I would point out that we had to meet a municipal situation. That is one of the reasons. The budget might have been delayed for 3 or 4 weeks, but we called the House earlier. The hon. member for Oshawa (Mr. Thomas) knows that one of the reasons for introducing the budget was to give assistance to the municipal taxpayers in this province, to the home owners and farm owners. This budget is going to have a very great effect there. It is going to provide a very sizeable assistance to home owners and farmers in this province.

I think hon. members will agree that is one consideration; and we will present all the other matters before the House prorogues.

MR. OLIVER: They may be presented to the House before it prorogues, but one cannot get away from the fact that the hon. Treasurer put on this tax before the hon. members of this Legislature ever saw any proposal for such a tax, before they had a chance to vote on it in any way, shape or form. I also suggest that the government was in a great hurry to impose the tax on the people of Ontario. They could not wait. It had to go on at midnight, in the dark of night, in the midnight hours; they had to sneak it in so that they could raise money now—money they do not need and which they had no authorization from this Legislature to get.

HON. MR. FROST: The hon. Leader of the Opposition, as a man of great experience in public life and administration, sat on these treasury benches with the hon. member for Brant—

MR. WHICHER: And will soon be sitting there again.

HON. MR. DUNBAR: You overnight guest.

HON. MR. FROST: The budget provided that the tax would come into effect at one minute after twelve midnight.

I think that is an accepted way of doing business. May I tell the House the way the hon. member for Brant (Mr. Nixon) did it, when he was in power? The hon. Provincial Secretary will remember that what happened was this, they changed the gasoline tax and in doing so they introduced the bill on March 31st and they said: "Now look, the deadline is the 1st of April. If we do not do this, the gas stations are going to fill up their tanks at the low price and sell it to the people at the high price, and we must get it through 3 readings in one day." And that is the way the hon. member did business.

MR. NIXON: At least, Mr. Speaker, it was done legally.

HON. MR. FROST: That is a refinement. Here the hon. members have plenty of opportunity to discuss it and this is the accepted way.

MR. OLIVER: Certainly we have an opportunity to discuss it, after the event. After the deed has been committed, then we are asked to place our stamp of approval on it. That is this government's way of doing business all the time.

HON. MR. FROST: At Ottawa, where the party of the hon. Leader of the Opposition governs, taxes become effective as the hon. Minister of Finance speaks. That is the accepted way. It is the only way it can be done.

MR. OLIVER: The only way?

HON. MR. FROST: Of course.

MR. SPEAKER: The hon. member for Waterloo North has the floor.

MR. J. J. WINTERMEYER: Mr. Speaker, in following the hon. Leader of the Opposition, I was simply going to draw to the attention of the government the fact that we have been here for 3 or 4 weeks now, and on 3 or 4 occasions we have had, from the hon. Prime Minister, very detailed explanations of the care that we should take in any great programme. I am referring to his explanations with respect to health insurance. Frankly, I agree with him on that. I think in the case of a big programme we should give care and consideration and move with great caution.

But with deference here, in fairness to the House, I think the highways programme should be before hon. members before we vote on the bill. Now, in fact, the tax is in force at the present time. Why can we not postpone consideration of this bill until such time as the hon. Minister of Highways (Mr. Allan) has had an opportunity to present his plan?

MR. T. D. THOMAS: And make a rebate of the tax.

MR. WINTERMEYER: Well, if necessary; but there is no hurry about this bill at the present time. The tax is being collected as needed. Whether this bill is passed today, tomorrow, or on the last day of the session is quite irrelevant.

I think in all fairness, that the hon. Prime Minister has to acknowledge that the government's position is wholly inconsistent with its normal generous attitude, that all matters be given consideration before we are asked to make an important decision.

For that simple reason, I would suggest that this bill be postponed or deferred —

MR. WHICHER: Cancelled.

MR. WINTERMEYER: —whatever is done, until such time as we have an opportunity to consider this master plan.

MR. SPEAKER: The hon. member for Wentworth.

MR. A. J. CHILD: Mr. Speaker, since there has been mention of a highway plan needing study, may I point out that the toll roads committee was shown one which was not 100 per cent. complete. There were two members of the party headed by the hon. Leader of the Opposition who know that, and if they have not told him about it, I suggest that they do so. I am reasonably sure that he knows there was this study available and that his talk of not knowing about one is another of the "red herrings" which he was trying to draw across the path.

MR. D. C. MacDONALD (York South): Mr. Speaker, I do not propose to deal at length with this subject, because I have already spoken on it. That is, if I can make myself heard over the petty interjections from my right.

MR. MALONEY: That is not too smart, coming from the leader of a party of 3.

MR. SPEAKER: Order.

MR. MacDONALD: I was trying to get down to the level of the hon. member for Renfrew South (Mr. Maloney) so that he would understand me.

MR. MALONEY: If the hon. member for York South would raise up to my level, it would do him some good. He would be able to get away from the bottom of the barrel.

MR. SPEAKER: I must ask the hon. member for Renfrew South to refrain from comment.

MR. MALONEY: Certainly, Mr. Speaker.

MR. MacDONALD: Thank you, Mr. Speaker. I have already expressed my views on this policy when we were discussing the report of the committee on highway finance. I just want to emphasize what I think are the two or three salient points in this connection.

The first point is this, that as far as the gasoline tax is concerned, it is a highly regressive tax, and if the government does not believe so, all they have to do is read a report which was signed by 8 members of their own party, after a careful assessment of information gleaned from across this continent.

It is a highly regressive tax, and to illustrate its regressive nature I will do no more than to mention this: if we translate our present highway revenues into the only kind of equitable approach for highway revenue, namely, what it costs to move one ton a distance of one mile along the road—if we translate our present revenue in such a way, we will find that today our passenger cars are paying something like 5 cents per ton mile and our heavy transports are paying less than one cent per ton mile.

Now, to take a gasoline tax that is as regressive as that, and to increase it by two cents so that we increase its regressive nature, surely is not an equitable way to raise highway revenue.

Let us take a look at another point. The hon. Prime Minister rises and says in effect that he accepts the weight-distance principle. But the select committee brought in a proposal for implementing it now. I am not just certain that I am in favour of that proposal, for reasons which I will explain later. Nonetheless it is there for government consideration.

Eight Conservative members, supported by a couple of Liberal members, brought in the recommendation that the weight-distance principle should be implemented in a rough and ready fashion. It could be done immediately, certainly within a few months, by adjusting our registration fees to reflect more accurately the cost of the vehicle involved, or its share of the cost of the roads, and combining that revised registration fee with a graduated fuel tax.

Why is the government not doing that? Would the hon. Prime Minister answer that question?

HON. MR. FROST: The problem now is the administrative feasibility of it. It is nearly impossible.

MR. MacDONALD: Just a minute, now, 8 good Conservative members sitting on this committee became persuaded that this could be done. Apparently the hon. Prime Minister agrees with me because I was not persuaded.

HON. MR. FROST: Sometimes I agree with the hon. member for York South and he gives one of the best reasons, and that is that he disagrees himself; so it might be that he is right this time.

MR. MacDONALD: I just want to suggest that if this government has 8 Conservative members on this committee, supported by the two Liberals, proposing an interim solution that could be put into effect immediately, that this government cannot idly slough off that recommendation. Why appoint select committees and spend tens of thousands of dollars to bring in a proposal only to throw it out of the window? But the government evaded it, and I will suggest why they have evaded it. This is the crux of the matter.

Mr. Speaker, this Legislature is subject to the truckers' lobby which is out in force here, as in many of the states of the union. We had people come before the committee and testify that in New York city, \$180,000 was spent, or allocated by the truckers' lobby, for one meeting of their Legislature; and Mrs. Long, who is a representative of the administrative body of that tax, says this money was spent—with a promise of more from the national association—in "cajoling and bribing the legislators"—those are her words. Now we see in the province of Ontario the same kind of campaign developing.

The truckers' lobby has been to Queen's Park here like bees to the sugar pot. The result is that this government at the moment is in a state of rout. It doesn't know whether it is going or coming. The hon. Prime Min-

ister rises and says he is in favour of the weight-distance principle. Certainly he is in favour of the weight-distance principle, just like the Liberals were in favour of health insurance in 1919 and his party was in favour of health insurance in 1943.

HON. MR. FROST: And we are the ones who did it.

MR. CHILD: Mr. Speaker, would the hon. member permit a question?

MR. MacDONALD: The hon. member for Wentworth had his chance, I did not interrupt him.

MR. CHILD: The hon. member for York South was perfectly at liberty to do so.

MR. MacDONALD: Yes. Well, I just said nothing, and I wish to conclude now. This truckers' lobby at the moment has the government in rout on this issue.

HON. MR. FROST: How?

MR. MacDONALD: Why does it not implement the recommendation of its own committee?

HON. MR. PORTER: It has nothing to do with truckers at all.

MR. MacDONALD: The interesting thing about this truckers' lobby is this, and I warn this Legislature and the people of the province, that the truckers' lobby, in the words of Governor Dewey, who had to deal with them in the United States, is the second most vicious lobby he had to contend with in his political life.

HON. MR. FROST: We are impervious to lobbies.

MR. MacDONALD: What happened in the United States is rather interesting. If the hon. Prime Minister does not

happen to be aware of it, then it will be something interesting to put in his pipe and smoke for a while. In every state in the United States, no matter what revenue suggestion, what new tax was suggested, the truckers' lobby always opposed it, they would agree that some other tax is better. In the neighbouring state that other tax would be suggested, but the truckers' lobby opposed it there, and it became clear upon surveying their activities all across the United States of America, that in fact what they were opposed to was the raising of any more revenue so that they would be paying an equitable share of the highways costs.

The hon. Prime Minister can rise, as he did this afternoon, and say that he is going to set up a new department, he is going to look into this. This is what I heard in the toll roads committee, and I will tell the hon. Prime Minister confidentially, or sincerely, or whatever he likes, that at one time I was not certain whether I should sign this report or not. But I decided not to sign it when I began to suspect what was going to happen—that the government was going to bring in this gasoline tax and "soak" the car driver with it, when it did not have the intestinal fortitude to face up to the truckers' lobby and to implement what their own hon. members suggested, a tax based on the weight-distance principle.

HON. MR. FROST: Mr. Speaker, I want to assure the hon. member for York South, with the same sincerity —

MR. MacDONALD: And confidentially.

HON. MR. FROST: Well, I will not say it confidentially, because I say this openly, that no truckers' lobby or any other lobby will affect us here in carrying out our duty. I can assure the hon. member of that.

The hon. member last year raised the same question in connection with hospital insurance. He said there would be lobbies that would affect us. I think he

must agree with me now that his fears and his assertions were groundless. I can assure him that the truckers' lobby will have no status with us at all as far as influencing our decision, threatening us, or anything of the sort. I can assure him that we will do our job here and I am sure that I can count upon his support in doing so. I hope so.

MR. MacDONALD: Mr. Speaker, there comes a time when even the Tory government, even a Liberal government, is going to be faced with a degree of public opinion on an issue that even the people behind the scenes who are lobbying are going to be overruled. That is what is happening on hospital insurance at the present time, after 37 years of Tory-Liberal jockeying, which we still see at the present time. We may not get a plan by April 1st, because of the hon. Prime Minister's own words yesterday, that if Ottawa will not get into one of these "four-square" corners that he has laid down — whoever is supposed to be in those "four-square" corners, I do not know — we may not have it yet.

As far as highway revenue is concerned, certainly the hon. Prime Minister has to pay "lip service" to the principle of weight-distance tax, because the principle of weight-distance tax, in light of any objective assessment of highway tax financing, is just beyond dispute. No man with a modicum of common sense could get up and deny that the weight-distance principle is a valid one. This the hon. Prime Minister cannot get up and deny.

So what he is doing is the old, old trick. He is getting up and paying "lip service" and then giving an elaborate rationalization of what is going to happen, what they are going to do, instead of imposing the tax. They are going to "look into the thing."

In the committee I heard one of the hon. Prime Minister's top civil servants say that it was so administratively difficult that he urged it be opposed, and he hoped it would never be brought in. I heard another of his top civil servants

say that in his opinion it would take 5 years to set up the administrative machinery. Is that the kind of situation we are faced with, 5 years before we will get a more equitable tax structure? And meanwhile, the increase of two cents gasoline tax means this government is loading 90 per cent. of the increased burden on the passenger cars.

Mr. Speaker, what the government is proposing to do here is not to raise revenue to where it should be raised, but to increase the inequity of the present tax structure. For that reason, Mr. Speaker, I move, seconded by Mr. T. D. Thomas (Oshawa):

That the motion be amended by striking out all the words after "without" and substituting therefor:

This House declines to give assent to the second reading to An Act to amend The Gasoline Tax Act which will place 90 per cent. of the burden of the increased revenue on the passenger car owner, without raising an equitable amount from heavy transports in some form of weight-distance tax.

MR. MALONEY: Mr. Speaker, I suggest that the motion is entirely irregular and out of order in that it does not introduce an amendment, but is a statement of something which is a figment of imagination in the mind of the hon. member for York South.

HON. MR. FROST: It is merely a negative.

HON. MR. PORTER: It is not an amendment, it is another speech.

MR. SPEAKER: I have to rule that this amendment is out of order.

MR. MacDONALD: Mr. Speaker, before you give your ruling, I would like some explanation of it, because I can give you chapter and verse from the records of this House.

MR. SPEAKER: The hon. member for York South is suggesting that a tax be imposed without a message from His Honour the Lieutenant-Governor.

MR. MacDONALD: This is a legal quibble, if ever there was one.

MR. SPEAKER: I rule the motion of the hon. member for York South is out of order.

MR. MacDONALD: Mr. Speaker, may I draw your attention to this?

MR. SPEAKER: Out of order.

MR. MacDONALD: Well, is Mr. Speaker in the federal House, or is he here?

MR. SPEAKER: Does the hon. member for York South want to challenge the ruling? He may do so if he so desires.

MR. MacDONALD: Mr. Speaker, surely it is part of the tradition of a Legislature that if Mr. Speaker is going to make a ruling, there is an opportunity to discuss it.

MR. SPEAKER: I have made a ruling. If the hon. member for York South wants to challenge that ruling, do so now.

MR. MacDONALD: Mr. Speaker, I challenge that ruling.

MR. SPEAKER: Have we 4 hon. members who support the hon. member for York South? There are only 3.

MR. MacDONALD: Now we know where the Liberals stand.

MR. OLIVER: Now you know where they stand.

MR. SPEAKER: The amendment is out of order.

MR. MacDONALD: I can tell Mr. Speaker chapter and verse where it is not out of order, but apparently we cannot discuss it here in the House.

MR. WINTERMEYER: Mr. Speaker, I would like to move that this particular bill be deferred until after the highway master plan is presented to this House.

MR. SPEAKER: I remind the hon. member for Waterloo North that this motion must be in writing.

MR. WINTERMEYER: Mr. Speaker, may I have the opportunity of presenting it in writing?

MR. SPEAKER: Certainly.

MR. WORTON: Mr. Speaker, do you wish the motion typed?

MR. SPEAKER: Written will do.

MR. WINTERMEYER: Mr. Speaker, I move, seconded by the hon. member for Wellington South (Mr. Worton):

That further consideration of Bill No. 98 be deferred until the government's proposed master highway plan is presented to the House.
The House divided.

Motion negatived on division:

YEAS	14
NAYS	60

MR. SPEAKER: I declare the motion lost.

MR. OLIVER: Mr. Speaker, now that the voting has started on the amendment, is it your ruling that that prohibits any further debate?

MR. MacDONALD: No, it does not.

MR. OLIVER: If it does, Mr. Speaker, what rule would be put up to substantiate that?

MR. SPEAKER: The motion that the bill be deferred, of course, takes precedence, but I rule that the debate on the original motion can continue.

MR. OLIVER: That it can continue?

MR. SPEAKER: Yes.

MR. OLIVER: I am very pleased to hear you say that, Mr. Speaker.

MR. WHICHER: Mr. Speaker, I would just like to make these few remarks. I do not think there is anyone in the opposition who would conscientiously vote against this bill if the government could definitely show that that amount of money was needed. Every one of us sitting over here realizes that the highway expansion in this province must be greatly accelerated this year and in the years to come, and all of us know that it takes a great deal of money to do this job.

The fact is that the government and the hon. Provincial Treasurer in his budget address did not say in any way, shape or form that additional taxes were needed. As far as the gasoline tax is concerned, in the budget address the hon. Provincial Treasurer showed there was going to be additional taxes of approximately \$98.5 million. He did not show or point out to the House that there is always additional revenue and an additional natural increase of revenue as has been shown for many years in the past.

There is no doubt in our minds sitting on this side of the House that there is at least an extra \$50 million hidden in the hon. Provincial Treasurer's budget, as a natural increase for the year 1957-1958. The hon. Provincial Treasurer knows it just as well as I do.

Last year there was a natural increase of approximately 10 per cent. The year before it was there. This year it is going to be there again, and I do not see how the hon. Provincial Treasurer can possibly conscientiously stand in this House and say that we need an extra \$20 million in gasoline tax when he knows full well that there is a \$50 million natural increase in his budget that he has not even talked about.

I might further point out to hon. members that only yesterday, in the supplementary estimates for The Department of Highways, this House voted into the highway reserve account \$37.5 million, not one dollar of which will be spent in the year 1957. The money that is going to be spent from the highway reserve account, for the year 1957, was already there and the hon. Provincial Treasurer knows it full well. That is absolutely correct.

HON. MR. PORTER: No, it is wrong.

MR. WHICHER: It is a nest egg and he is going to use it in 1958, not 1957. Not only will he have this \$37.5 million but he also has, as I said just a few minutes ago, a natural increase in his tax of at least \$50 million.

Why does the hon. Provincial Treasurer not use that instead of burdening the people of this province with additional taxation in a tax that is not only unfair to the ordinary man of this province, but is completely and absolutely unnecessary in this year 1957? I think that not only is this government going to have a hard time to get any of the opposition to vote for this bill, but it is going to have a hard time to convince the people of this province that it is a necessity.

To emphasize what I have said, every one in the opposition realizes money is necessary, that new roads are necessary. If this government produces the plan, and says that it needs money, we will vote for that bill; but they do not need it with the \$37.5 million in the

reserve fund that it is not going to use until 1958, and the additional natural increase of tax in this province of at least \$50 million.

I defy the hon. Provincial Treasurer to deny that. It has been there for years and years and will be there this year, too.

Therefore, not only does the hon. Provincial Treasurer not need this tax, but there are several more in his budget that he does not need either.

MR. OLIVER: I think we should have a vote on it.

HON. MR. FROST: May I ask the hon. Leader of the Opposition if he is prepared to accept the same division?

MR. OLIVER: No, we think we may have gained some converts.

MR. WHICHER: Let some of the government members stand up for their people back home and go against this bill.

MR. SPEAKER: The vote will be on the main motion.

The House divided.

Motion agreed to on the following division:

YEAS 57

NAYS 14

Motion agreed to; second reading of the bill.

HON. MR. FROST: Hon. members understood that they voted on the amendment, and that one was to be taken on the main motion, but due to Mr. Speaker's very generous ruling and the attitude of the government not to stifle in any way the debate, that is the cause of the difference in the voting.

Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of supply.

MR. MacDONALD: I am willing to begin any time to accommodate the hon. Prime Minister.

HON. MR. FROST: I have called this order for the reason that I wanted to show the hon. member that I was most anxious that he should go on. I have no doubt the hon. member has gone to a great deal of trouble to prepare his speech, and if the hon. member is prepared to have the order stand over to another day I would be very glad to do that.

MR. MacDONALD: We might as well leave it until next week.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to; House in committee of the whole, Mr. Janes in the chair.

THE SCHOOLS ADMINISTRATION ACT

House in committee on Bill No. 48, "An Act to amend The Schools Administration Act, 1954."

Sections 1 to 3, inclusive, agreed to.

On section 4:

HON. W. J. DUNLOP: Mr. Chairman, in section 4 of this Bill No. 48, it was discovered that it is necessary that it be harmonized with The Municipal Act in this way, and I will read the explanatory note:

It is proposed to amend The Municipal Act to authorize municipalities to authorize and maintain trailer camps and parks. It is also proposed to provide that the municipality pay to the proper school board non-resident pupil fees for persons attending schools under the jurisdiction of such board.

It is therefore necessary to amend the new section 83A of The Schools Administration Act to except municipally operated trailer camps and parks from this section, as school boards under the new section are entitled only to a share of the licence fees collected with respect to trailers in the municipalities.

I have been authorized by the committee on education to move, and I do now move, that section 4 of Bill No. 48 be amended by adding the following subsection; subsection (3):

This section does not apply to trailer camps and trailer parks operated by municipalities.

Section 4, as amended, agreed to.

Sections 5 and 6 agreed to.

Bill No. 48 reported.

THE TEACHERS SUPERANNUATION ACT

House in committee on Bill No. 70, "An Act to amend The Teachers Superannuation Act."

Section 1 agreed to.

On section 2:

HON. MR. DUNLOP: Again, Mr. Chairman, I am authorized by the committee on education to move for a slight amendment on this particular subsection, the reason being that it has been found desirable to delete specific reference to the regulations so as to give more scope in the making of complementary regulations.

So, Mr. Chairman, I move that subsection (6) of this section, and of section 16A of The Teachers Superannuation Act as enacted by section 2 of this bill, be amended by striking out the words "under sub-regulation 1 of regulation 9 of" in the third and fourth lines and inserting in lieu thereof "in accordance with."

By striking out "under" in the fifth line and inserting in lieu thereof "in accordance with."

By striking out under regulations 11, 12, 13 and 14 "of" in the sixth and seventh lines, and inserting in lieu thereof "in accordance with."

The subsection shall read as follows:

Every person who comes within subsection (4) may establish credit in the fund in respect of past teaching service in any designated private school in accordance with the regulations or in any other school in which this Act applies, in accordance with section 48 or in respect of war service in accordance with the regulation.

MR. P. MANLEY (Stormont): Mr. Chairman, I would like to ask the hon. Minister a question at this time which has to do with superannuation for teachers who have taught back in the 1930's. I do not know the exact time, but the pension they are getting at the present time is not in keeping at all with living conditions. We know that these people teaching at that particular time were not getting a very large salary, and I believe that the superannuation has been based on the salary they were getting at that time.

I was wondering if the hon. Minister or the department has taken into consideration the position those teachers are in, and if he intends to do anything about amending the Act or putting additional money into the superannuation fund to assist these teachers.

HON. MR. DUNLOP: At this time, Mr. Chairman, it is simply not feasible to do as has been suggested by the hon. member for Stormont. There are many teachers who would like, I suppose I might say all teachers would like, to have higher pensions, and everyone else probably would. But there are so many in this fund at the moment, and so many will be entitled to pensions, that the provincial auditor is almost continually reminding me that there is an actuarial deficit in this fund.

Of course, the government has taken action to try to overcome that, and until the fund is actuarially sound I feel it would be dangerous to try to do anything else than what we are doing at the present time.

MR. MANLEY: Mr. Chairman, the fund, according to the hon. Minister, is not actuarially sound, but unfortunately we have a small group of these teachers who I think are in sad circumstances, owing to the amount of pension they are getting, and that group is going to become smaller and smaller every year. I do not think it is going to be much of a hardship on this province to try to bring these pensions up a little bit to improve their living conditions. I think that, owing to the fact they were teaching in a period when everything was so low, that there is a certain injustice being done against them at the present time. As I say, the number is getting smaller and smaller every year, and I think this government could very well do something about those older teachers; they could help them at least a little bit.

HON. MR. FROST: Mr. Chairman, may I point out to the hon. member that the problem of pensions, which came about and were paid for in other days, of course, is a problem in these days of inflation when the dollar is not as great in purchasing power as before. This problem is common to many others, railroaders, those who were retired from the civil service years ago, and others.

However, in the great run of these cases, they are persons now over 70 or approaching that age, and that was the purpose of the universal old age pension in which this government had a very great hand.

MR. WHICHER: How much does it pay? Not a nickel.

HON. MR. FROST: It was part of a federal-provincial conference in which this province as usual took the lead in favour of the "little man."

MR. WHICHER: Who pays it now?

HON. MR. FROST: Why, half of it comes from this province. Does the hon. member not know that, after having sat in this House for some time? Half of it comes from the taxpayers of this good old province.

MR. WHICHER: How much does this government pay?

HON. MR. GRIESINGER: Stick up for Ontario once in a while.

HON. MR. FROST: This \$40 a month, which we hope will be increased shortly as was evidenced the other day, is one of the things that alleviates the problem of the pensioner. In the case of the teachers such as the hon. member for Stormont mentioned, I can assure the House that there is not any practicable way one can alter that situation other than the method that is being adopted.

At the present time, those teacher pensioners are receiving \$480 if single and \$960 if married, over and above the pensions that they contracted for in those days gone by. The country is really doing a very good job in meeting the situation.

MR. MacDONALD: Mr. Chairman, I do not want to take a great deal of time at this hour of the day, but the secretary of the association of this group of teachers is a constituent of mine, and I rarely rise to speak on behalf of a constituent, but rather for the people as a whole of the province.

These teachers taught for 40 to 50 years. Most of them taught in rural areas, and in some of their jobs they were getting as little as \$250 and \$300 a year, and now they are being paid pensions of between \$600 and \$900.

I suggest to the hon. Prime Minister that this is shameful, and I suggest to the hon. Minister of Education that to rise and say that nothing can be done is nonsense.

There are 243 of them left, and to argue that this government cannot pay life pensions, because they are going to destroy this actuarial basis, is typical of the kind of penny-pinching procedure that this government indulges in, instead of doing justice to a group of people whose case I think is very, very conclusive.

If we have to wait until the fund is actuarially sound, there are a lot of people who will continue to meet with injustice. Surely the human needs of people is far more important than the actuarial basis of a fund. This government is a slave of actuarial basis and accounting procedures, and human needs get lost in the process.

HON. MR. FROST: I point out that a year or two ago we did make an adjustment to provide for a floor which permitted increased amounts.

MR. MacDONALD: If this government got it up to \$600 it is certainly nothing to be proud of.

HON. MR. FROST: It is true some of these people would be receiving \$900 or \$1,000 a year, but, as I say, the old age pension comes into the picture which adds another \$480, and if married \$960. I admit it is difficult but there is a real effort to—

MR. MANLEY: What about the ones under 70?

MR. MacDONALD: This is the reward of a rich, proud province to people who have taught for 40 to 50 years.

Section 2, as amended, agreed to.

Sections 3 to 9, inclusive, agreed to.

Bill No. 70 reported.

HON. MR. FROST: Mr. Chairman, I move that the committee do now rise and report certain bills with amendments.

The House resumed; Mr. Speaker in the chair.

MR. C. E. JANES: Mr. Speaker, the committee of the whole House reports two bills with amendments and asks leave to sit again.

HON. MR. FROST: In moving the adjournment of the House, may I say that tomorrow we will proceed with some of the bills on the order paper and with the Throne debate. I will look forward with much pleasure to hearing the hon. member for York South next week.

MR. OLIVER: May I ask if the hon. Prime Minister could be a little more specific? There are a lot of bills for second reading on the order paper and we want to be prepared for them.

HON. MR. FROST: Tomorrow, if there is any order called to which the hon. Leader of the Opposition objects, we will let it stand aside.

MR. OLIVER: Right down the line.

HON. MR. FROST: That is right.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.05 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Friday, March 1, 1957

THE QUEEN'S PRINTER
TORONTO
1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

FRIDAY, MARCH 1, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: I beg to inform the House that the clerk has received from the commissioners of estate bills their report in the following case:

Bill No. 7, An Act respecting The United Church of Canada.

THE SUPREME COURT OF CANADA

THE HONOURABLE MR. JUSTICE J. K. MACKAY
THE HONOURABLE MR. JUSTICE WILSON

Osgoode Hall, Toronto 1
February 28, 1957

Roderick G. Lewis, Esq., Q.C.,
Clerk of the Legislative Assembly,
Parliament Buildings,
Toronto 2, Ontario.

*Re: Private Bill No. 7, 1957, An Act
respecting The United Church of Canada*

DEAR SIR:

The undersigned, as commissioners of estate bills, have considered the above-mentioned bill and now beg to report thereon.

Presuming the allegations contained in the preamble to the bill to be proved to the satisfaction of the House, it is in our opinion reasonable that such bill do pass into law, and, subject to the alterations or amendments hereinafter set forth, the provisions of the said bill are proper for carrying its purpose into effect.

The alterations and amendments that are, in our opinion, proper and necessary to be made in the bill as submitted, are the following:

1. For section 1 there should be substituted the following:

Application
of income
authorized

1.—(1) The United Church of Canada is hereby empowered to apply the whole or any part of the income from the investment of monies received from the estate of the late Sir James Aikins as aforesaid for the maintenance of Balmoral Hall School for Girls.

Application of
income deemed
compliance with
conditions of
Trust

(2) Every such application of income shall be and is deemed to be a compliance with the trusts contained in the will.

We return here with the said bill and the petition therefor.

AS WITNESS our respective hands.

WITNESS:

(signed)
E. MABEL COLES

} (signed)
J. K. MACKAY
JOHN L. WILSON

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

Introduction of bills.

THE BRUCELLOSIS ACT

Hon. W. A. Goodfellow moves first reading of bill intituled, "An Act to amend The Brucellosis Act, 1956."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, I might say that these amendments are necessary in order to bring our Act into line with the recently passed federal regulations when our vaccination programme is taken over by the federal eradication campaign. This brings our Act into line with the federal government.

THE JUNIOR FARMERS ESTABLISHMENT ACT

Hon. Mr. Goodfellow moves first reading of bill intituled, "An Act to amend The Junior Farmers Establishment Act, 1952."

Motion agreed to; first reading of the bill.

MR. SPEAKER: We will revert to presenting reports by committees.

MR. D. M. KERR: Mr. Speaker, I beg leave to present the third report of the standing committee on education and move its adoption.

CLERK OF THE HOUSE: Mr. Kerr presents the third report of the standing committee on education, as follows:

Your committee begs to report the following bills without amendment:

Bill No. 87, An Act to amend The Separate Schools Act.

Bill No. 99, An Act to amend The Teachers Superannuation Act.

Motion agreed to.

MR. SPEAKER: Before the orders of the day, I would like to welcome to the assembly this afternoon, His Excellency, Sir Saville Garner, the high commissioner of the United Kingdom, to the Dominion of Canada. I would also like to add our welcome to Mr. Ronald Wilby, the trade commissioner of the United Kingdom to Canada.

We also have in the House a group of young people representing the World Affairs Club of Jarvis Collegiate In-

stitute of Toronto, and the Central High School of Flint, Michigan. We also have pupils from Armour Heights public school, Toronto; Glenwood school, Burlington; and Millgrove school, Millgrove, West Flamboro township. We welcome these visitors and hope they will enjoy the proceedings.

MR. H. J. PRICE: Mr. Speaker, before the orders of the day, I recall that the government brought down the budget a year ago when I mentioned to the House that March 1st is St. David's Day. This is the day that the Welsh people have set aside to honour their patron saint St. David, and it is my honour and privilege to represent the riding bearing his honoured name.

I would like to suggest to the hon. members of this House that the Welsh people have played their part as pioneers in the development of Canada, and not the least of these is David Thompson, recognized as Canada's greatest geographer. He came to this country in 1884, apprenticed to the Hudson's Bay Company; and his surveys are used to this very day.

I hope that when the Canadian team goes to Cardiff in July of next year to participate in the British Empire Games that the province of Ontario will be well represented.

I take the privilege of mentioning this in the House for all those interested in the "Old Country" and, particularly in Wales, at this time.

I thank the British Travel Association for supplying us with the interesting folder and poster map on Wales showing some of the interesting places for tourists.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, I am indeed very happy, with the hon. member for St. David, to pay tribute to St. David, the patron saint of Wales. I am sorry the hon. member for Windsor-Walkerville (Mr. Davies) is not in his place this afternoon. I think that he and I are the only two Welshmen in the Legislature.

I am very happy to pay tribute to a great little country, the country of my birth. I do not know of any country of such a size, with a small population, that has made a greater contribution towards the democratic way of life than has Wales.

I am very happy to join with the hon. member for St. David in paying tribute to Wales, a small country but a very important one in the British Commonwealth of Nations.

MR. F. R. OLIVER (Leader of the Opposition): I wanted to ask the hon. Minister of Agriculture (Mr. Goodfellow) when we may reasonably expect the marketing legislation. We have been looking for it for some time.

HON. W. A. GOODFELLOW: In reply to the hon. Leader of the Opposition I would hope to be able to introduce the legislation not later than Wednesday of next week.

MR. SPEAKER: Orders of the day.

HON. L. M. FROST (Prime Minister): Mr. Speaker, in calling today the 27th order, may I give notice to the House that on Monday I propose to call, as the first major item, the budget debate which is item No. 28 of today's order paper, at which time the hon. member for York South (Mr. MacDonald) will have priority, and we will be looking forward to hearing from him at that time.

I call the 27th order.

ADDRESSES IN REPLY TO SPEECH FROM THE THRONE

MR. L. LETHERBY (Simcoe East): Mr. Speaker, in rising to continue the debate for a few minutes this afternoon may I first extend my congratulations and thanks and appreciation for the very considerate and capable manner in which you are discharging your responsibilities in this Legislature.

I would also like at this time to commend the hon. Minister of Public Works (Mr. Griesinger) for the very excellent loud-speaking system that he has had arranged for the convenience of hon. members and others in this chamber. I think it is something that has been long needed, and we are pleased with it.

Although I am rather late in getting into this debate, I would, along with hon. members who have spoken before me, like to extend my congratulations to the hon. mover and seconder of the address in reply to the speech from the Throne. I did think the hon. member for Port Arthur (Mr. Wardrope) was outstanding in moving the address; and the new hon. member for West York (Mr. Rowntree), did an excellent job in seconding that motion.

I have listened with a great deal of interest, attention and profit to all the speeches which have been made in this House since the opening, and I include those of our good friends of the opposition. I do want to thank and congratulate them for the fine efforts they have made.

We have before us at this time legislation of wide public interest and benefit to the people of this province; legislation which is before us for our consideration and approval, and I trust that I will have an opportunity to speak on these matters a little later in the budget debate.

But for the time being, as there has been a vast amount of public works going forward in my riding of Simcoe East, during the past year or two—and the indication that this programme will continue—I would like to make a few observations and to commend the government.

Mr. Speaker, I think most hon. members are aware of the fact that the riding of Simcoe East, because of its geographical location, is not only situated in the heart of historic Huronia, but it is the gateway to the famous 30,000 islands of the Georgian Bay and other well-known resorts. It is, too, the main traffic artery for the hundreds of thousands of motorists who travel to the great northland and western Canada every year.

Until a year or so ago we suffered a severe and serious travel bottleneck in the Orillia and Washago districts, but thanks to the prompt action of the government and, particularly, the hon. Minister of Highways (Mr. Allan), that situation has been corrected. That was brought about by the construction of the new Orillia and Washago bypass, the new bridge structure at Washago, the new modern cloverleaf at highways No. 12 and No. 11 north of Orillia, and the overhead structure at Forest Home—all of great benefit to the good people of my riding.

Of equal benefit to the people in the southwest portion of the riding was the action of The Department of Highways in cutting down the curves and hills and putting a hard-top surface on highway No. 93 from Craighurst to Waverley. That is one of the oldest highways in the province of Ontario. This work which has been done has given us as good a stretch of highway as we have anywhere in this province.

Of equal benefit to my people in the northwest portion of the riding was the action of the government and The Department of Highways in putting down a new hard-top surface on highway No. 12 from Midland to Port McNicoll and Waubauskene.

The other day I was interested to hear my good friend, the hon. member for High Park (Mr. Cowling), mention something of the work which was going on on the trans-Canada highway. There is a considerable portion of trans-Canada mileage in my riding, and I would like to say, in addition to what the hon. member for High Park has said, that our distance extends from Orillia to Macdonald River, and in that area we have construction crews which are working around the clock to complete this work at the earliest possible moment.

The present construction crews are working on the South Orillia bypass and on that section from Waubauskene to Port Severn, and it is the thinking of the department that the large structures over the Georgian Bay at Port

Severn and Waubauskene will be completed this year.

While on this subject, I would like to commend the department for the prompt action they are taking to correct the dangerous traffic hazard at highways No. 27 and No. 12 just west of Midland. Contracts have been let to have this work completed.

But I would like to point out either to The Department of Highways or to the hon. Minister of Travel and Publicity (Mr. Cathcart) that at that location was the stopping off place for the militia when they used that old road from York to Penetanguishene during the war of 1812. It is only recently that the old building, which served as a tavern and stopping off place, has been removed. I am urged by the chambers of commerce of Penetanguishene and Midland that some suitable marker be set up at that spot so that present and future generations will realize it is of historic importance.

Before I leave the matter of highways, may I say that my people in Simcoe East are grateful at the prospect contained in the announcement of The Department of Highways that a new 4-lane highway will be constructed from Crown Hill to Coldwater to relieve the congestion on highway No. 11 and to shorten the distance to the north and to the west.

I want to direct my remarks to The Department of Reform Institutions, and I am happy on this occasion to extend my congratulations to the hon. Minister (Mr. Foote) for the leadership and careful attention that he has given to the establishment of the farm conservation project in Simcoe North.

It came to my attention during the last session, and to the attention of my friend, the hon. member for Simcoe Centre (Mr. G. Johnston), that The Department of Reform Institutions, through their short-term prisoners, had done an excellent job in the Fort William area. They had used short-term prisoners to fight fires, to prepare land for tree-planting and a great amount of other conservation work.

We in Simcoe North felt that, with some 40,000 acres of marginal land which could be reclaimed for use, and other important conservation projects that could be improved upon something similar could be done. In addition, we have a large Crown area of land on the trans-Canada highway adjacent to this location. We felt that this was an opportunity, if we could prevail upon the hon. Minister to establish such a project whereby we could reclaim not only wayward land but wayward lives.

The hon. Minister was most sympathetic to the idea and promised that he would give it his careful consideration. Therefore we were pleased, at the completion of the last session of the House, when the hon. Minister and his deputy visited Midland and met a large representation of the people who were interested in this matter. At the time we were interested, we approached the hon. Minister, and we were supported in our idea by resolutions from the Simcoe county council, by the mayors, reeves and councillors of the Simcoe municipalities, by chambers of commerce, service clubs and the Georgian Bay Development Commission.

When the hon. Minister and his deputy came to Midland they met a large representation of all of these various organizations; so enthusiastic was that meeting for the project that the hon. Minister promised to give it a trial.

Accordingly, on May 7th, last year, a task force of some 50 short-term prisoners, together with their camp equipment and necessary supplies, and a supervising force to look after them, came to Simcoe North and established a camp near Hillsdale, Ontario, in Medonte township.

To assist them we set up a committee consisting of some 9 men. On that committee I was pleased to serve along with the hon. member for Simcoe Centre. They set up their camp; they had to clear off the land, build bridges and look after the water supply.

On several occasions throughout the summer months, the hon. Minister and

his deputy, together with this committee of 9 men and the local and metropolitan press went to the camp to examine and check on the work of the men, and we were amazed at what was being accomplished. They were cutting down brush at bad intersections on township roads, they built bridges and prepared considerable land for tree-planting. In one case the new Midland district high school had to have a development road built to the school. The road, 80 feet wide, had to be cut a distance of a mile through the bush. These men did the work. They cut that road in record time, and the only power tool used on the entire project was one power saw.

I was amazed, along with the rest of the committee, at not only the nature of the work that they were able to accomplish, but the fine attitude these short-term prisoners took to the project. We went into their camp, and saw their dining room and living quarters. We ate the same meals as they did. We saw their living quarters, which were spotlessly clean. We spoke to these men individually, and asked them what they thought of the project, and in each and every case these men said: "This is a splendid idea. We would much rather be out doing some worthwhile work and out in the fresh air, where we are accomplishing something, than to be confined in some institution."

For recreation they had their own softball team. They played their games, of course, after hours in the evening, and played a number of games with local teams in the district; and The Department of Lands and Forests took in motion pictures and showed them in the evenings.

An additional force of 22 men was sent up to assist The Department of Lands and Forests prepare a park on the trans-Canada highway for use this coming summer. The work was urgent and needed to be done speedily. These men went in and in no time at all they cleared the land, built a huge bridge, tiled the property, cleared the stumps from the ground and did an excellent job.

One day I went in to see how they were getting along. I asked each and every man what he thought of the project, and asked him if the treatment and living conditions were good, and in each and every case they told me that not only had they liked the opportunity, but liked the idea and were most satisfied with their treatment and the conditions.

May I say one other thing before I leave this matter. During the whole of the time those men were on these projects not one single one ever attempted to escape, or to in any way embarrass his guards or the people of the locality.

In our opinion, and, I hope it is also the opinion of the hon. Minister, this was a most successful venture.

The hon. Minister promised that the camp will be set up again early in the spring and that an equal-sized task force will be provided. We have enough work to keep similar crews going for many years to come.

Mr. Speaker, in leaving this matter, again I do want to thank most sincerely my friend, the hon. member for Simcoe Centre, and the hon. Minister for his leadership and direction in this most important side of his department.

May I take just a moment or two to direct your attention to The Department of Health and The Department of Public Works. I was pleased the other day to hear the hon. member for St. Andrew (Mr. Grossman) speaking about mentally retarded children. I am most interested in that subject because we have in the town of Orillia one of the best institutions of its kind in the province of Ontario for the care of mentally retarded children.

At that institution, we have some 700 employees who are headed by Dr. F. C. Hamilton, as superintendent, one of the most outstanding men in that particular field in Ontario. These 700 employees are giving careful, tender and loving care to some 2,480 mentally retarded children. I am amazed as I visit that institution, from time to time, to see the constant improvements which are being made by way of facilities for treatment and health.

In looking over some figures the other day, in regard to that institution, I was amazed to find that the payroll for the 700 people amounts to \$1.74 million a year, and thereby constitutes the largest industry we have in the entire county.

In addition to the \$1.74 million, there is an extra \$1 million required for the purchase of food and clothing and other supplies, so that gives hon. members some idea of just how big the institution is, in my riding.

In the matter of public works, I was impressed when I was at the hospital a short time ago to see that work to fireproof the building is going ahead. They have built a huge new cattle barn, and are in the process of building a new warehouse and office for The Department of Public Works, as well as a new laundry. At the Penetanguishene hospital for the criminally insane, contracts have already been let by The Department of Public Works for a 150-bed addition, which will mean better treatment and better facilities for those who must occupy that provincial institution.

If I might direct the attention of the House for a moment or two to The Department of Travel and Publicity, I think all hon. members will agree that this department is growing and developing. I do think the hon. Minister (Mr. Cathcart) deserves some credit for the continuing expansion and development of that industry.

There is nothing like putting in a little plug for one's own riding and Simcoe East has long been known and famous for its great athletes. We have produced many world athletes, including George Grey, Walter Knox and others. We still maintain a great name for producing champion hockey, baseball and lacrosse teams.

Last week end, I was in Midland, when the town sponsored the ski jumping championships for the Dominion of Canada. This ski jump is regarded as being as good as or equal to any we have in Canada. Some 37 top ski-jumpers from the Dominion of Canada, which

included 4 or 5 who had recently competed in the Olympic games, delighted thousands of our people and tourists during the afternoon, when a new record for ski-jumping was made, which I think was 197 feet.

I do want to commend the Midland Ski Club for their leadership in this matter; it was a huge venture. I would also like to congratulate Pete Peterson, national chairman of the ski jump, and I think Canada's foremost coach of skiers, and the good people of Midland for their initiative in promoting that meet.

With regard to Orillia, which has produced many outstanding sporting champions in the past, I was pleased the other day to hear that Mr. Stan Sarjeant, a veteran skip of the Orillia Curling Club, has led his team composed of Roy Hewitt, Earl Lamb and Harry Tissington, to the British Consols Ontario Championship in the city of Kitchener. I congratulate these gentlemen for the honour they have brought not only to themselves, but to the good town of Orillia, and to my riding of Simcoe East.

There is another matter in connection with The Department of Travel and Publicity which I would like to raise. I have brought this before the House on two or three occasions, but I do not seem to have had much success with it. It is really not a provincial matter, but has to do with the Dominion government, and more particularly with The Department of Transport.

The Trent waterway—I think all hon. members will agree with me—is perhaps the most beautiful inland waterway in the province of Ontario, and on the Trent waterway, in my riding, at the Big Chute, is a marine railway with a cable on a car which lifts the boats and lowers them from one water level to another.

This marine railway, which is operated by The Department of Transport at Ottawa is, and has been for many years, in a disgraceful condition of repair. The Department is aware of this, but for some reason they have

refused to do anything about it. When this railway was put in operation some years ago, it was capable of lifting or lowering boats, of 35 tons in weight, from one water level to another. But, after a series of accidents and poor maintenance, they were forced to reduce the tonnage on that railway from 35 to 25 tons, and after a series of further accidents and nothing done by way of repairs, or the railway bringing it up to a proper state of maintenance, they had to reduce the tonnage from 25 to 15 tons.

That is the condition it is in today, and it is my prediction that unless something is done soon to put that railway in a better condition of repair, they will not handle anything but small motorboats and old flat-bottomed punts.

It is bad enough, in my opinion, to have a faulty railway there, but I think what is worse is the fact that there are no garbage containers whatever at that point. When pleasure craft and other boats travel many miles and reach that point, there is no place to dump their garbage, and as a consequence, they dump it overboard and contaminate the Severn River, and litter the front of your cottage and mine.

While they have no garbage containers, perhaps even worse is the fact that there are no toilet facilities at that point for the many thousands of tourists who use that waterway during the summer months. I know the location well, and am there quite often in the summertime, and it is an embarrassing thing to see boats stop at that point, and men, women and little children, when they discover there are no toilet facilities, they are forced to take to the bush and run their chances with rattlesnakes and poison ivy.

Some hon. members laugh at the mention of rattlesnakes but I would have you know we had a lady in that area who was fatally bitten last summer, and I might add that the poison ivy crop is even better than that which bothers the hon. member for Muskoka (Mr. Boyer).

My suggestion is—if The Department of Transport will not improve the condition of this railway, if they will not place garbage containers and toilet facilities at this point, that the Hydro-Electric Power Commission, which have a power plant at that location, see to it that we have toilet facilities and garbage containers.

I might just say a word or two about public parks: I think we are all agreed, that public parks and the available land for this use on our lovely rivers, lakes and bays in this province is becoming increasingly scarce. A few months ago when looking at Bass Lake, that picturesque and lovely inland lake just a few miles from Orillia, I discovered that all that land had been taken up some years ago with the exception of some 87 acres which had been acquired by a number of public spirited citizens in that area, who were cognizant of the situation, pooled the money they could raise together and purchased that 87 acres, and reserved it as a public park for the use of the rural citizens and the people from Orillia.

However, with the increased cost of maintaining and operating it, it was almost impossible to carry on. A few months ago the Ontario government had the opportunity of purchasing it at a very nominal sum. It is my understanding the government is going in to the park in the spring and do considerable work on it, so the good people of that area in and around the town of Orillia will have the use of this beautiful location in the years to come.

There is one additional park site, a beautiful woodland strip near Atherley, a few miles away, which is available, and can be purchased. This additional park will be badly needed in the near future. I understand The Department of Lands and Forests have this under consideration, I do hope and trust they will give it careful thought and lose no time in acquiring this land which would be so beneficial to the people in the neighbourhood.

Just a word about education. I do want to commend the hon. Minister of

Education (Mr. Dunlop) for the very generous manner in which he has looked after our educational needs. Last fall, we were happy to have the new Midland - Penetanguishene district high school opened. This \$1 million building is a great credit to The Department of Education and the school area.

A few weeks later, we opened the new public school in Coldwater, which is a great credit to our department.

On both of these occasions, the hon. Minister of Education was present, and opened these buildings. A very sizeable addition was made to the Orillia district collegiate, and we were graced with the presence of the hon. Prime Minister (Mr. Frost) who not only opened the new building, but was presented with a fine bronze bust of himself by his friends and fellow citizens of Orillia.

That is about all I wish to contribute at this time. I am proud of the action this government has taken to give us these public works which are so necessary and so beneficial to our people. For the leadership they are giving in bringing down legislation which is before us for our consideration and approval and for a new hospital health plan for all our people.

I am also proud of this government's assurance of increased aid for our municipalities, for our Department of Education, for The Department of Highways, increased aid to those who are receiving welfare benefits, and to our farm marketing.

The government is giving leadership among all the provinces in trying to give good government for our people.

I think we are all agreed that these are moving, challenging, exciting, history-making days for our people, days of progress, development, and prosperity and I am of the opinion that the government is giving us the leadership that will give us confidence to go forward into the future.

HON. R. CONNELL (Minister Without Portfolio): Mr. Speaker, first of all I would like to extend my congratulations to the Deputy Speaker on

his elevation to this position and also for the efficiency with which he is carrying on his duties. I am sure all hon. members recognize the great tradition in the family of the hon. member for Lambton East (Mr. Janes) and I am happy to see that the hon. member is no exception.

I would also draw attention to the fact that in the gallery there is a group of children from Millgrove school which is in the heart of the riding of Hamilton-Wentworth. Although these children are of very tender years we all recognize they are the important years.

Mr. Speaker, in presenting the report for 1956 of the Hydro-Electric Power Commission of Ontario, I should first like to say that last year was, perhaps, the most significant year in the history of Ontario Hydro.

In addition to celebrating the 50th anniversary of its founding, the commission, in September last, joined with Atomic Energy of Canada Limited and the Canadian General Electric Company to take the first tangible step towards implementing nuclear energy as a source of electric power generation in Canada.

I count myself most fortunate in having become a member of the commission during such an auspicious year. Although my appointment took place towards the close of 1956, the publicity attendant upon Hydro's commemorative functions, and the numerous public tributes paid during the Golden Jubilee year, enabled me to enter upon my new duties with a foreknowledge of the organization and an insight into its proud tradition which I would otherwise have lacked.

Before reporting upon the accomplishments of Ontario Hydro during 1956, and before telling hon. members something of the plans to safeguard the power supply of the province in the future, I should like to recall the appointments which took place on November 1st of last year.

Dr. Richard L. Hearn, who had so ably guided the policies of the commission since January, 1955, retired from the chairmanship and was suc-

ceeded by James S. Duncan, C.M.G. Mr. Duncan brought with him not only the administrative ability and wide experience gained during his many years as one of Canada's foremost industrialists, but also a brilliant reputation for his work in fostering international goodwill and for his patronage of many cultural activities.

Coincident with the appointment of Mr. Duncan, the hon. Prime Minister (Mr. Frost) also confirmed the position of Mr. W. Ross Strike, Q.C., as first vice-chairman of the commission; named me as second vice-chairman and Minister Without Portfolio in the Ontario cabinet; and appointed Mr. D. P. Cliff, a former president of the Ontario Municipal Electric Association, as a commissioner to serve with Lt.-Col. A. A. Kennedy, D.S.O., E.D.

At the same time, the hon. Prime Minister expressed gratification that Dr. Hearn would continue his long association with Ontario Hydro as an engineering consultant, and would also remain a director of Atomic Energy of Canada Limited.

In the 4 months since these appointments were made, I have become keenly aware of the responsibility resting upon the shoulders of those who serve on the Hydro commission. I am particularly mindful, too, of the service on the commission rendered by my good friend and cabinet colleague, the hon. W. K. Warrender, now Minister of Municipal Affairs. Over its 50 years of existence, this great public electrical utility has grown from an idea in the minds of a few far-sighted men into a people's business operating with total assets now in excess of \$2 billion and providing direct employment for 18,000 of our fellow-citizens.

Responsible for nearly 90 per cent. of the primary energy supplied by central electric stations for consumption in Ontario, Hydro today owns and operates 65 hydro-electric and two major thermal-electric generating stations. During 1956, the total output of all resources amounted to 29.5 billion kilowatt hours, representing an increase of 11 per cent.

over the previous year. Ontario Hydro's own generating stations provided 85 per cent. of this energy, the balance being provided from purchased power.

Because its activities are so widespread and so intimately connected with primary production, manufacturing and general community life, the commission's operation is, of course, closely allied to the tempo of the provincial economy. I think a review of the pattern of demands and resources confirms this point.

Although the rate of growth in system demands during the past year was much lower than during 1955—amounting to 6.6 per cent. in the southern Ontario system, 7.4 per cent. in the northeastern division, and 8.2 per cent. in the northwestern division—it still had the effect of reducing the commission's margin of power reserve that existed at the end of 1955.

Despite this fact, and we must remember that the increase in demands during the last decade has been tremendous, I feel that it is a matter of commendation for those who have administered the affairs of Ontario Hydro in recent years that they have succeeded so admirably in maintaining the resources ahead of the province's power requirements.

To do this, it has been necessary, as hon. members well know, to provide large blocks of additional power in an extremely short space of time. Today, however, we can look with pride—and be extremely thankful—that Ontario Hydro has been able to increase its resources to more than 2.25 times what they were in 1945. As a result, the commission's capacity has been increased from 1,937,500 kilowatts at the end of the war to 4,552,100 by the close of 1956.

I need hardly add that this active programme of construction must continue well into the future if the economy of this province is to be protected. But before looking ahead, may I, Mr. Speaker, review in more detail some highlights from Ontario Hydro's operations.

Construction presently in progress on 9 separate projects, including new plants and additions to existing stations, will add more than 2.2 million kilowatts to our systems within the next 4 years. When one realizes that by 1980, the demands upon Hydro may be 4 to 5 times what they are today, I think he will agree that the commission's programme of construction must continue at the same accelerated pace if we are to meet these requirements and reach a safe margin of reserve.

Although additions to generating capacity in 1956 were restricted to the northwestern division, where increasing demands are being experienced from the pulp and paper industry and from extensive mining activity, the commission continued its long-range construction programme in an effort to keep pace with anticipated demands.

Next year, for example, because of construction now taking place, a new unit will come into operation at each of 3 existing plants in the northwestern division — at Alexander and Cameron Falls on the Nipigon River, and at Manitou Falls on the English River. It may be recalled that this latter station was placed in service last year.

Early in 1958, the capacity of this division will be further increased by the completion of the 3-unit, 54,000-kilowatt Whitedog Falls generating station on the Winnipeg River, and later in the year by the 67,500-kilowatt Caribou Falls development on the English River, which will be available for service.

Many hon. members will be interested to learn, I am sure, that a site has been chosen for the future development of a thermal-electric generating station at the Lakehead. I hope to provide the hon. members of the House with more details of this at a later date.

For the interconnected southern Ontario system and northeastern division, load growth in the immediate future will be met largely from 3 major sources, which are at present under construction or being enlarged. I refer to the Sir Adam Beck-Niagara Generating Station No. 2, the Robert H.

Saunders-St. Lawrence Generating Station, and the Richard L. Hearn plant in Toronto.

The pumping-generating station associated with the main Niagara project will be substantially completed by the end of this year. With an installed capacity of 170,000 kilowatts, this unique operation will make a significant contribution to the system resources at times of peak demand. At the main powerhouse, construction of 4 additional units is proceeding on schedule and the first one is planned for initial operation late this year. This will be followed by the remaining 3 in 1958 to increase the capacity of the station from its present 900,000 kilowatts to 1,370,000, including the pumping-generating units.

Mr. Speaker, as you are aware, Ontario Hydro is the Canadian agent for the construction of remedial works designed to enhance and preserve the scenic beauty of Niagara's famous falls. During 1956, the commission continued with the task of building the 1,550-foot-long control structure extending out from the Canadian shore of the Niagara River. Nine of the 13 submersible gates are in operation, and by August of this year the entire work will be completed.

At the St. Lawrence power project, there are so many phases of construction and planning that a separate report could be very easily devoted to this subject. However, realizing that time does not permit this, I shall touch upon a few of the accomplishments which I hope will be of most interest to the House.

The first concrete for the powerhouse structure was placed last February, just 18 months after the official groundbreaking ceremony in 1954. At the peak of construction during 1956, some 4,500 men were engaged on the Hydro project and more than 2,000 cubic yards of concrete were being placed each day.

Favourable progress is also reported by the commission's partner in the project, the power authority of the state of New York, and there is every reason to believe that the schedule for establishing the headpond in 1958 will be

maintained. Initial power will be made available during that same year and the entire development will be completed, it is felt, by 1960, with an installed capacity of 820,000 kilowatts available to each partner.

Subsidiary projects of this development form a most important aspect of the work, and the rehabilitation of people and property went forward with a minimum of inconvenience to those concerned. This included the moving, during the year, of about 210 houses from the affected area to higher ground in newly planned communities, completion of approximately 35 miles of relocated highway, and the laying of some 40 miles of double track for the relocated section of the Canadian National Railway main line.

In a project as vast as the St. Lawrence, involving the rehabilitation of some 6,500 people on the north shore of the river, there must inevitably be isolated cases of dissatisfaction. Yet, I believe that the thought and effort put forth by the management and staff of Ontario Hydro, in co-operation with local officials, in an endeavour to be fair to the people has no equal anywhere. I venture to say that the Ontario government is extremely fortunate in having this work placed in such responsible hands.

There can be no doubt that in terms of prestige for this province, the St. Lawrence project is a wonderful advertisement which is carried in the minds of people to many parts of the world. Last year alone, some 340,000 people visited one of the greatest engineering feats of our time. No effort is spared on the part of Ontario Hydro to ensure that they will take away with them, whether they be fellow Canadians or visitors from other countries, the most favourable impression of Ontario's efforts to fulfil the demands for power.

I know that many hon. members here today have already witnessed the tremendous construction taking place, but I urge all of them to take their friends to see the progress which is being made. If I can be of service in

ensuring that every facility is placed at their disposal in this regard, I shall be most happy to do so.

In my opinion, one of the significant points of the St. Lawrence project is that it marks the harnessing of the last major source of hydro-electric energy available to southern Ontario. This fact was clearly indicated in Ontario Hydro's report to the Royal commission last year, and those hon. members who are familiar with this report will understand that we are witnessing a most important period of transition in the matter of power supply. An increasing role will be played in the future by thermal plants using the fossil fuels or employing nuclear reaction, as compared to those taking their energy from the falling waters.

The first major step in this regard was inaugurated in 1951, when Hydro's two largest thermal-electric stations were brought into operation at Toronto and Windsor. Now, with diminishing hydraulic resources coupled with a high rate of load growth, the second step in this transition must take place with the addition of 4 more units to the 400,000-kilowatt Richard L. Hearn generating station on Toronto's waterfront. Already the largest thermal-electric plant in Canada, this station, by 1960, will have installed a capacity of 1.2 million kilowatts.

I realize that the financial report is, perhaps, the most tangible evidence which can be offered in support of an organization's true administrative ability. Unfortunately the operations of the commission are such that only preliminary figures are available at this time. I would ask the indulgence of the House, therefore, until such time as the official Annual Report can be made available.

As I indicated at the beginning of this report, we shall find that total assets at the end of 1956, after deducting accumulated depreciation, will be slightly over \$2 billion, compared to \$1,788 million at December 31, 1955. This increase was financed in part by the issue of bonds and the balance from

internal resources. The long-term liabilities of the commission, at the end of 1956, stood at approximately \$1,392 million, of which about \$48 million originally consisted of advances from the province.

In common with almost all phases of Canadian business activity during 1956, the commission experienced a rise in the cost of providing services. Preliminary figures also indicated a total gross revenue amounting to more than \$186 million, an increase of some \$20 million or 12.4 per cent. over the revenue for 1955.

It is not the intention, Mr. Speaker, to provide the House with a complete report of the commission's activities at this time, but I should like to draw certain facts to the attention of hon. members. These are, I feel, of direct concern or interest to us all, for they have an intimate bearing on the lives of a large segment of our population.

I refer to Ontario Hydro's continued programmes in the fields of frequency standardization, rural extensions and betterments, interconnections and nuclear experiments.

The commission's task of standardizing the frequency to 60 cycles in an area which originally covered 12,000 square miles of southwestern Ontario, is now in its eighth year. By the end of December 1956, the equipment of more than 75 per cent. of the domestic and commercial service customers, and 85 per cent. of the connected horse power of power service customers, had been changed over.

Preliminary figures indicate a total expenditure by the commission on the programme during last year of \$36 million. The total cost to the commission to the end of last December is estimated to be approximately \$279.6 million, of which \$15.6 million is the value of inventories for future use.

An indication of the immensity of the task already performed is provided by statistics showing that over 5 million appliances have been changed for 772,000 customers. With the exception

of Toronto, it is estimated that all areas will be completed within the next year, and that the entire programme will be concluded by the summer of 1959.

As the work of standardization moves into its final phase, the commission's facilities for generating power at 25 cycles must be converted to meet the additional 60-cycle demand. Last year, two units at the Sir Adam Beck-Niagara Generating Station No. 1 were changed to the higher frequency, and plans were made to standardize the equipment of 4 Quebec utilities supplying Ontario Hydro with power under long-term contracts.

Undoubtedly the most notable development to take place since the frequency standardization programme was announced was the decision last year to undertake a similar programme, beginning in 1958, in the northeastern division. The 1,400-square-mile area to be affected includes the districts of Porcupine, Kirkland Lake, Matheson, Elk Lake, Matachewan, smaller communities surrounding Sudbury and several rural operating areas. Approximately 18,800 customers will be involved.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, may I ask the hon. Minister whether he has an estimate of the cost involved in this project about which he has been speaking?

HON. MR. CONNELL: In north-eastern Ontario?

MR. OLIVER: Yes.

HON. MR. CONNELL: My understanding is that the cost of changing the consumer is something over \$6 million; that does not include the cost of changing the plants from 25 to 60 cycle at the generating stations.

One of the most commendable policies of the commission has been its continuing efforts to bring power to the remotest corners of the province wherever feasible. As a result, most of our rural

citizens have, for many years, enjoyed the benefits of electricity. The extensive use of electric energy on the farm, and I am particularly close to this picture, is evidenced by the fact that the average annual consumption has almost doubled in the last 10 years, rising from 2,568 kilowatt hours in 1946 to an estimated 4,500 last year.

Hydro's policy of rural expansion has been particularly aggressive in the post-war years when the number of rural customers served has grown from 156,500 to more than 430,000. The continuing activity of this programme is indicated by some 25,000 new rural customers added during 1956 before certain annexations took place. It is expected that the present year will see even this figure exceeded.

Despite several cases of annexation of rural areas by municipalities during 1956, a net addition of 640 miles of rural distribution line was made to bring the total in service to almost 44,500 miles. Primary extensions to rural lines presently planned for 1957 amount to 901 miles. Hon. members of the House have, of course, a vital interest in these statistics, for through its policy of providing 50 per cent. of the capital cost of rural distribution facilities, the provincial government was committed during 1956 to an estimated \$6,016,000. For 1957, Ontario Hydro's rural budget has been tentatively set at \$20 million.

A further indication of the commission's sincere desire to improve its service to rural customers is in the little publicized, but highly commendable plan, inaugurated in 1952, to modernize its area offices and warehouse facilities. Two such offices were opened last year, bringing the total of these new buildings to 12 since the programme started. Five others are in the course of construction and 10 more will be commenced this year.

More important, from the point of view of faster service, however, is the fact that new line trucks equipped with two-way radios are being provided in many of the areas.

Besides aiding Ontario's farming communities by improvements to rural facilities, the commission must protect the general economy by ensuring that power is available wherever and whenever it is required. This, of course, entails an extensive programme of maintenance and extension of the vast network of transmission lines which carry power to every section of the province.

I shall not attempt to lengthen this report by a detailed analysis of the many activities in this regard during 1956, but there is one example which, I believe, illustrates the point I am making.

As we are all well aware, one of the most significant developments to take place within our borders in recent years is the discovery of rich uranium deposits in the Blind River district. The significance comes from predictions that Canada may, within the next year, be the world's largest producer of this ore.

Ensuring an adequate supply of power to this area, therefore, is vital to the Canadian economy, and I am pleased to report that Hydro's planning engineers have not overlooked the situation. Indeed, an expenditure of almost \$10 million has been authorized to date in order to provide transformer and transmission facilities for this new load centre.

Heightened demands for power due to the quickening tempo of this mining activity in the northeast are presently being met by transfers of power from the southern Ontario system. Further transfers to meet future load growth will be made possible by a 230,000-volt transmission line, to be built for service in 1958 from the Otto Holden station on the Ottawa River to Sudbury. A similar line is being constructed to complete the link from Sudbury to the Blind River transformer station.

Ontario Hydro's policy of developing these interconnections between systems or with neighbouring utilities has been another important trend during recent years. It has provided, in many cases, a margin of system safety which would have been impossible to duplicate for a similar cost.

A further step was taken in this regard during 1956, when an interconnection was made with Manitoba. This latter step marked the culmination last October of several years of engineering studies when the facilities of the Manitoba-Hydro-Electric board and of Ontario Hydro's northwestern division were interconnected.

It is now possible to exchange power, when required, and to co-operate in utilizing the flows of the Winnipeg and English rivers to the best possible advantage. With the establishment of this link, only a line between the northwestern and northeastern divisions remains to be built before Hydro's 16,500 miles of transmission lines can be completely interconnected with systems in Quebec, New York State, Michigan and Manitoba.

While I have touched upon some of the main aspects of the policy of continual expansion, which the commission must follow to meet the ever-mounting power needs of our prosperous province, there are many side-effects to this policy of which time permits only brief mention.

Not least among these is the greatly-heightened standard of living enjoyed by our citizens as a result of the greater use of electricity in the home since the end of World War II. In 1946, for example, the average domestic consumption for the year was 2,712 kilowatt hours. The estimated figure for last year is in excess of 5,100 kilowatt hours, indicating an almost 100 per cent. increase in consumption.

The large number of electrical appliances now on the market accounts for much of this demand for more and more electric energy. Some of these appliances, such as clothes driers and television sets, were not generally available even at the end of the war, but the additional load they now impose increases the necessity for adequate household wiring and, as hon. members know, has caused this question to become an important issue in some of our municipalities.

Another effect of these added demands has been to render some of our regional offices inadequate, both in size and design, to cope with the volume of business. Complicating this situation is the fact that, when the commission's plan of decentralization was inaugurated in 1947, most of the 9 regional offices were installed in buildings which were considered adequate only from the short-term viewpoint. To remedy this, new regional offices, designed by the commission's own architect, were completed last year at Ottawa, North Bay and Hamilton. Another is under construction at Belleville and will be ready for occupancy later this year.

Much credit is reflected upon the municipalities, too, for the part they are playing in this modernization programme. In the past 10 years no less than 32 municipal utilities have moved into new, more efficient headquarters. Four new office buildings were opened last year and 7 more are scheduled to be completed in 1957 to better serve their customers.

There are now 350 municipal commissions in existence, and I feel the province as a whole owes a great debt to the 1,400 public-spirited citizens who serve on them and are directly responsible for this forward-looking policy. The time and labour they devote to their duties is far in excess of any remuneration they might receive in return, and I am sure I speak for the whole commission when I say that Ontario Hydro is proud to be associated with them.

This report would not be complete if I did not mention an event which took place in 1956, but which takes its significance from the future.

On September 19, 1956, at a site near Hydro's Des Joachims generating station on the Ottawa River, sod-turning ceremonies in which Ontario's hon. Prime Minister took part, marked the start of construction for Canada's first nuclear-electric power station. I need hardly add that the commission is proud to have been selected to participate in this experiment along with the two agencies I have already mentioned.

Known as Nuclear Power Demonstration (NPD), the pilot plant will be completed in 1959 with a capacity of 20,000 kilowatts. While this power will be fed into the southern Ontario system, the main purpose of NPD will be to provide information and experience for the design and operation of larger nuclear-electric power plants in the future.

If I may recall once again Ontario Hydro's brief to the Royal Commission on Canada's Economic Prospects, it was indicated that by 1980 demands may be 4 to 5 times what they are today, which means resources totalling more than 20 million kilowatts would be required. Undoubtedly a considerable portion of new capacity will be from nuclear-electric stations utilizing uranium, one of the natural resources of our own province, as a fuel.

During this period of transition, we are fortunate in the fact that we shall be able to draw upon the fund of knowledge being accumulated from actual experience in such nations as the United Kingdom and the United States.

Ontario Hydro is also playing its part in this development by fostering studies in the wide field of nuclear research. Tangible evidence of this is provided by the commission's decision in October, 1956, to provide financial assistance to McMaster University at Hamilton for work associated with the installation, operation and study of nuclear reaction under the guidance of some of Canada's most experienced physicists and scientists in this field.

This contribution took the form of a capital grant of \$100,000 in 1956, with a similar sum to become available this year. In addition, an amount of \$5,000 annually for a period of 10 years will be provided by the commission to help defray operating costs associated with the reactor which will be built at Hamilton. Hydro has also undertaken to appoint an engineer to work with the university staff in these studies.

Before closing my report, Mr. Speaker, I should like to add what might be called a footnote. In addition to the

tremendous activity which I have already outlined to hon. members, I am happy to announce that just a few days ago the commission authorized additional generation to serve northwestern Ontario. This will take the form of a new development at Silver Falls on the Kaministiquia River, some 25 miles northwest of Port Arthur.

To be available for service in the fall of 1959, this plant will add 43,500 kilowatts to the capacity of our northwestern division.

This, I think, is just one other indication of the fact that, whatever trends the future may bring, Ontario Hydro is continuing to ensure that an adequate supply of power is made available for the benefit of the people. Undoubtedly, that pioneer spirit, which carried the commission through its early formation to its Golden Jubilee year, is being and will be perpetuated to bring forth even greater achievements in the years ahead.

MR. J. YAREMKO (Bellwoods): Mr. Speaker, I move the adjournment of the debate.

Motion agreed to.

THE ROYAL TRUST COMPANY

Mr. R. Macaulay moves second reading of Bill No. 11, "An Act respecting the Royal Trust Company."

Motion agreed to; second reading of the bill.

TOWNSHIP OF BRANTFORD

Mr. G. Gordon moves second reading of Bill No. 12, "An Act respecting the township of Brantford."

Motion agreed to; second reading of the bill.

CITY OF TORONTO

Mr. W. J. Stewart moves second reading of Bill No. 21, "An Act respecting the city of Toronto."

Motion agreed to; second reading of the bill.

TOWNSHIP OF ETOBICOKE

Mr. W. Lewis moves second reading of Bill No. 26, "An Act respecting the township of Etobicoke."

Motion agreed to; second reading of the bill.

TOWNSHIP OF HOWE ISLAND

Mr. Stewart moves second reading of Bill No. 28, "An Act respecting the township of Howe Island."

Motion agreed to; second reading of the bill.

CANADIAN NATIONAL EXHIBITION ASSOCIATION

Mr. A. Frost (Bracondale) moves second reading of Bill No. 30, "An Act respecting the Canadian National Exhibition Association."

Motion agreed to; second reading of the bill.

TOWNSHIP OF SCARBOROUGH

Mr. R. E. Sutton moves second reading of Bill No. 25, "An Act respecting the township of Scarborough."

Motion agreed to; second reading of the bill.

TOWNSHIP OF NORTH YORK

Mr. T. Graham moves second reading of Bill No. 34, "An Act respecting the township of North York."

Motion agreed to; second reading of the bill.

MUNICIPALITY OF NEEBING

Mr. G. Wardrope moves second reading of Bill No. 32, "An Act respecting the municipality of Neebing."

Motion agreed to; second reading of the bill.

TOWNSHIP OF GRANTHAM

Mr. A. Jolley moves second reading of Bill No. 33, "An Act respecting the township of Grantham."

Motion agreed to; second reading of the bill.

SACRED HEART COLLEGE OF SUDBURY

Mr. G. Monaghan moves second reading of Bill No. 35, "An Act respecting the Sacred Heart College of Sudbury."

Motion agreed to; second reading of the bill.

BOARD OF EDUCATION FOR THE CITY OF WINDSOR

Mr. D. Kerr moves second reading of Bill No. 19, "An Act respecting the board of education for the city of Windsor."

Motion agreed to; second reading of the bill.

CITY OF SAULT STE. MARIE

Mr. C. H. Lyons moves second reading of Bill No. 36, "An Act respecting the city of Sault Ste. Marie."

Motion agreed to; second reading of the bill.

Hon. Dana Porter moves that Mr. Speaker do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to; House in committee of the whole; Mr. W. J. Stewart in the chair.

COMMUNITY CHEST OF GREATER TORONTO

House in committee on Bill No. 15, An Act respecting the Community Chest of Greater Toronto.

Sections 1 to 3, inclusive, agreed to.

Preamble agreed to.

Bill No. 15 reported.

O'KEEFE CENTRE

House in committee on Bill No. 20, An Act respecting O'Keefe Centre.

Sections 1 to 3, inclusive, agreed to.

Preamble agreed to.

Bill No. 20 reported.

TOWN OF PEMBROKE

House in committee on Bill No. 22, An Act respecting the town of Pembroke.

Sections 1 to 3, inclusive, agreed to.

Preamble agreed to.

Bill No. 22 reported.

CITY OF PETERBOROUGH

House in committee on Bill No. 24, An Act respecting the city of Peterborough.

Sections 1 to 3, inclusive, agreed to.

Preamble agreed to.

Bill No. 24 reported.

CITY OF OTTAWA

House in committee on Bill No. 1, An Act respecting the city of Ottawa.

Sections 1 to 4, inclusive, agreed to.

Schedule agreed to.

Preamble agreed to.

Bill No. 1 reported.

ONTARIO PROFESSIONAL FORESTERS ASSOCIATION

House in committee on Bill No. 10, An Act to incorporate the Ontario Professional Foresters Association.

Sections 1 to 14, inclusive, agreed to.

Preamble agreed to.

Bill No. 10 reported.

TOWN OF BARRIE

House in committee on Bill No. 13,
An Act respecting the town of Barrie.

Sections 1 to 4, inclusive, agreed to.

Preamble agreed to.

Bill No. 13 reported.

Hon. Mr. Porter moves that the committee do now rise and report certain bills without amendment.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

MR. STEWART: Mr. Speaker, the committee of the whole House begs to report it has passed several bills without amendment and begs leave to sit again.

Report adopted.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 3.40 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Monday, March 4, 1957

THE QUEEN'S PRINTER
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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

MONDAY, MARCH 4, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: I beg to inform the House that the clerk has received, from the commissioners of estate bills, their report in the following cases:

Bill No. 14, An Act respecting the Erin Fifth Line Union Church in the township of Erin.

Bill No. 29, An Act respecting the city of St. Thomas.

THE SUPREME COURT OF ONTARIO

THE HON. MR. JUSTICE J. K. MACKAY
THE HON. MR. JUSTICE WILSON

Osgoode Hall, Toronto 1
March 1, 1957

Roderick G. Lewis, Esq., Q.C.
Clerk of the Legislative Assembly
Parliament Buildings
Toronto 2, Ontario

*Re: Private Bill No. 4, 1957, An Act
respecting the Erin 5th Line Union
Church in the township of Erin*

DEAR SIR:

The undersigned, as commissioners of estate bills, have considered the above-mentioned bill and now beg to report thereon.

Presuming the allegations contained in the preamble to the bill to be proved to the satisfaction of the House, it is in our opinion reasonable that such bill do pass into law, and, subject to the alterations or amendments hereinafter set forth, the provisions of the said bill are proper for carrying its purpose into effect.

The alterations and amendments that are, in our opinion, proper and necessary to be made in the bill as submitted, are the following:

1. The following words be added to section 2:

after "Conningsby cemetery," insert "as part of the cemetery,"

and

after "1873"

add "upon the same trusts as are set forth in registered instrument No. 5035-D 1 for the township of Erin."

We return herewith the said bill and the petition therefor.

AS WITNESS our respective hands.

WITNESS:

(signed)
ANNE BROWN

(signed)
J. K. MACKAY
JOHN L. WILSON

THE SUPREME COURT OF ONTARIO

THE HON. MR. JUSTICE SMILY
THE HON. MR. JUSTICE F. G. MACKAY

Osgoode Hall, Toronto 1
March 1, 1957

Roderick G. Lewis, Esq., Q.C.
Clerk of the Legislative Assembly
Parliament Buildings
Toronto, Ontario

*Re: Private Bill No. 29, An Act respecting
the city of St. Thomas*

DEAR SIR:

The undersigned, as commissioners of estate bills as provided by The Legislative Assembly Act, RSO 1950, chapter 202, section 57, having had the said bill referred to us as such commissioners, now beg to report thereon.

It appearing on the hearing before us that there may be persons entitled to a reversionary interest in the lands referred to in section 2 of the bill who had not been notified of the hearing and given an opportunity to make representations before your commissioners and there not being sufficient time before the consideration of the bill to enquire as to who should be notified, the solicitor for the city of St. Thomas requested that section 2 be deleted from the present bill.

The solicitor for the city of St. Thomas also requested that section 4, subsection 6, be amended by substituting the following as subsection 6 (a) and (b):

(a) All donations, gifts, devises and bequests heretofore made to or in trust for the Amasa Wood Hospital, the Memorial Hospital or the Elgin Memorial Hospital together with any unexpended income therefrom are hereby vested in the St. Thomas-Elgin General Hospital, the same together with all income therefrom, to be used for such hospital purposes, including a nurses' residence, as may from time to time be mutually agreed between the council of the corporation of the city of St. Thomas and the council of the corporation of the county of Elgin.

(b) All donations, gifts, devises and bequests hereafter made to or in trust for the Amasa Wood Hospital, the Memorial Hospital or the Elgin Memorial Hospital, unless specifically designated for purposes of the Memorial Hospital Chronic Unit of the St. Thomas-Elgin General Hospital, shall be deemed to belong to and be vested in the St. Thomas-Elgin General Hospital. Any such donations, gifts, devises and bequests specifically designated for the said Memorial Hospital Chronic Unit of the St. Thomas-Elgin General Hospital shall be deemed to be vested in the St. Thomas-Elgin General Hospital, the same together with all income therefrom, to be used for such hospital purposes, including a nurses' residence, as may from time to time be mutually agreed between the council of the corporation of the city of St. Thomas and the council of the corporation of the county of Elgin.

We are of the opinion that the provisions of the said bill, after deleting section 2 and amending section 4, subsection 6, are proper for carrying its purpose into effect and that it is reasonable that such bill do pass into law.

The bill, duly signed by the commissioners, and the petition therefor, are accordingly returned herewith.

We have the honour to be, Sir,
Your obedient servants,

(signed) P. E. F. SMILY
F. G. MACKAY
Commissioners of Estate Bills

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

Sixth annual report of the Alcoholism Research Foundation for the year ended December 31, 1956.

MR. SPEAKER: Introduction of bills.

Before the orders of the day I wish to direct the attention of the House to several matters arising out of the debate of Thursday last, February 28th, on the motion for second reading of Bill No. 98, "An Act to amend The Gasoline Tax Act."

Mr. J. Wintermeyer moved an amendment to the motion for second reading, which amendment read as follows:

That further consideration of Bill No. 98 be deferred until the government's proposed master highway plan is furnished to this House.

While I had some doubt at the time as to whether or not this amendment was in order, in my anxiety not to be too arbitrary, I allowed the motion to be received. Since that time, reference to the authorities and previous decisions have led me to conclude that this amendment was out of order on two counts:

1. A motion for an amendment, the purpose of which is to defer the second or third reading of a bill, must be for a postponement to a definite date. (See the decision of the hon. N. O. Hipel on February 19, 1936, and also May's *Parliamentary Practice*, 15th edition.)

2. The amendment sought to attach conditions to the second reading of the bill. (See the decision of Mr. Speaker Hipel, above referred to, and May, page 508.)

Having admitted Mr. Wintermeyer's amendment and that amendment having been defeated, it was suggested to me that the amendment was in fact a motion for a hoist, the defeat of which would automatically carry the second reading of the bill without further amendment or debate.

As I was most anxious not to stifle debate, I ruled that the amendment was not worded as a hoist motion and I therefore permitted the debate to continue.

Further consideration has led me to the opinion that even if this amendment had been properly worded to avoid the two objections previously enumerated, it would have been a motion for a hoist and second reading should have been given to the bill immediately after the defeat of the amendment.

I bring these points to the attention of the House in order that the acceptance of the amendment and the procedure which followed its defeat may not be considered precedents.

I wish also to refer briefly to the amendment moved by Mr. D. C. MacDonald, as follows:

That the motion for the second reading of the bill be amended by striking out all the words after the word "that", and substituting therefor the following:

this House declines to give assent to second reading of "An Act to amend The Gasoline Tax Act" which will place 90 per cent. of the burden of the increased revenues on the passenger car owner without raising an equitable amount from heavy transports through some form of weight-distance tax.

At the time I very properly ruled this amendment out of order on the grounds that it contemplated the imposition of a tax and was therefore outside the competence of a private member. Rule No. 112, which is a re-statement of the 54th section of The British North America Act of 1867, and the very numerous

decisions of former Speakers on this point, make any further elaboration of this ruling unnecessary.

However, there is another ground upon which Mr. MacDonald's amendment was out of order. While this was realized at the time, I did not feel it necessary to mention more than the tax aspect, which was of course the major one.

It now appears to me to be desirable, for the future guidance of the House, to mention the other ground. The form of this amendment makes it merely a negation of the motion for second reading. May's 15th edition, page 391, states:

The proposed amendment should not be confined to a mere negation of the terms of the motion, as the proper mode of expressing a contrary opinion is by voting against a motion without seeking to amend it.

I should also point out to the House that in the British House of Commons prior notice must be given of amendments of this nature. This, of course, enables the Speaker to consider the legality of the proposed amendment before it is actually moved in the House. The practice which has grown up in the Ontario House, of permitting the moving of such amendments on second reading without insisting on the notice, makes it necessary for the Speaker to allow or reject motions without proper consideration.

MR. T. D. THOMAS (Oshawa): Mr. Speaker, before the orders of the day, I would like to direct a question to the hon. Prime Minister (Mr. Frost) respecting the hospital plan for Ontario. It is reported this morning that a notice of motion is to be presented in the federal Parliament introducing enabling legislation for the proposed hospital plan in Canada. The question I would like to direct to the hon. Prime Minister is: does this mean the decks are now cleared for action and that we will now proceed with the Ontario plan?

HON. L. M. FROST (Prime Minister): Mr. Speaker, I think the Rt. hon. Prime Minister of Canada said some time last week that legislation was to be introduced, and apparently this is notice of that intention.

I would say that until we see the legislation and examine it I could not make any comment.

MR. T. D. THOMAS: Thank you.

MR. E. P. MORNINGSTAR (Welland): Before the orders of the day I would like to draw attention to a matter which, I feel, is of great public importance, because it not only vitally affects my riding but the Dominion of Canada as a whole.

The first lengths of huge steel pipe have begun rolling off the massive assembly lines of Welland Tubes, Limited, Welland, Ontario, the country's first "big-inch" pipe mill.

This plant is capable of producing some 200,000 to 300,000 net tons of large pipe annually, ranging in size from 20 to 36 inches in outside diameter and with a net value of from \$40 to \$60 million. Running at peak capacity, it could roll more than 3 miles of pipe per day.

Up to now the biggest steel pipe made in Canada has been 16-inch diameter, manufactured by Page-Hersey Tubes, Limited. Pipe of the sizes now to be made by Welland Tubes has had to be purchased outside the country.

Initial production at the new \$10 million Welland Tubes plant will consist of 150 miles of 20-inch pipe needed by Interprovincial Oil Pipe Lines Limited for an extension of the interprovincial pipe line from Sarnia to Port Credit.

Then the company expects to start producing the first part of a multi-million dollar pipe order placed by Trans-Canada Pipe Lines Limited, for sections of Trans-Canada's 2,200-mile natural gas line between Winnipeg and Montreal.

MR. G. C. WARDROPE (Port Arthur): Mr. Speaker, might I add a word to what the hon. member for Welland has said.

With respect to the remarks hon. members have heard from him, I just came back from my riding in Port Arthur, and up in that vicinity it is going to be of great interest to read his remarks, because they have been asking questions about the Trans-Canada pipe line, and I would like to point out to the hon. members of the House that during the debate on this issue, our part of the country was called the great unproductive area, and it was said that our area was going to be economical to run the pipe line through.

To date the largest contract entered into with the Trans-Canada Pipe Lines Limited in Canada has been the contract in my area which amounts to 109 billion cubic feet a day.

I have just come down from the town of Nakina, and Anaconda Mines are thinking of entering into a contract with Trans-Canada Pipe Lines for that great iron development owned by Anaconda. I drove over the new access roads from Nakina to Geraldton on Saturday afternoon, a distance of 42 miles, in an hour and 40 minutes. That is for the information of the access roads committee, and I thank them for making that possible.

MR. SPEAKER: Orders of the day.

THIRD READINGS

The following bills, upon motions, were read a third time:

Bill No. 1, An Act respecting the city of Ottawa.

Bill No. 10, An Act to incorporate the Ontario Professional Foresters Association.

Bill No. 12, An Act respecting the town of Barrie.

Bill No. 15, An Act respecting Community Chest of Greater Toronto.

Bill No. 20, An Act respecting O'Keefe Centre.

Bill No. 22, An Act respecting the town of Pembroke.

Bill No. 24, An Act respecting the city of Peterborough.

Bill No. 48, An Act to amend The Schools Administration Act, 1954.

Bill No. 70, An Act to amend The Teachers Superannuation Act.

MR. SPEAKER: Resolved that the bills do now pass, and be intitled as in the motions.

The House, upon order, resolved itself into committee of supply.

THE BUDGET

MR. D. C. MacDONALD (York South): Mr. Speaker, after the developments of last week I feel that just being able to make this speech has become a major achievement in itself.

I want, before proceeding any further, just to deal briefly with some of these developments of last week, because apparently we have reached the stage in this Legislature where some of the traditional rights of the opposition now are not so much a traditional right as a sort of privilege to be rationed out by the government in accordance with the whim of the hon. Prime Minister (Mr. Frost).

One of the traditional rights, or procedures is that an opposition—any opposition party—has an opportunity to make its criticisms on the Throne debate and on the budget debate, and to make them at the appropriate time. That is exactly what was denied last week to at least this party in the House.

In the past these rights have not been subject to a sort of calculated postponement in accordance with the government's own particular strategy. I am not aware, for example, of any time in the past in this House that a party has been denied for 10 days the opportunity to make its criticisms of the budget and denied it to a point where some of the departmental estimates have already been introduced in the House.

Mr. Speaker, if this had been an isolated event, perhaps it could have been dismissed and nothing more would be said about it, but before I entered this House a year or so ago I had been told of the kind of tactics this government sometimes indulged in.

Last year I was able to experience them personally. I remember having had a motion on the order paper for something like 6 or 7 weeks, finding in the last rush of the session, on no more notice than two or three minutes, and communicated to me by a note sent across the floor of the House from the hon. Prime Minister, that my motion was called.

I did not realize the full import of the hon. Prime Minister's move until I discovered that when I made the motion, my two colleagues in the House were temporarily not in their place and, therefore, I had nobody to second my motion. This was a brilliant triumph of petty politics.

The hon. Prime Minister outdid himself the following day, because he then pulled from out of the hat another little trick. A motion was standing in the name of the hon. member for Essex North (Mr. Reaume), and the hon. Prime Minister chose the occasion when the hon. member was not in the House—as it turned out, because of a dental appointment.

I raise this point because I am very serious about it. The hon. Prime Minister would not at any time pull that kind of trick on, say, any hon. member of the cabinet who had a bill or motion standing in his name on the order paper. He would at least give him the common courtesy of letting him know that his bill was going to be brought before the House.

The question I want to ask is, why are not hon. members of the opposition entitled to the same degree of common courtesy, because what happened last week, Mr. Speaker, is, perhaps, a little more important than the hon. Prime Minister realizes. Apparently he has lost some of his normal appreciation for

the historic rights of the opposition in an elected Parliament, in accordance with British traditions.

Hon. government members who have any new ideas or any proposals can bring these ideas or these proposals before their caucus, and if they are accepted by the caucus they can be brought into the House at least for discussion and, perhaps, for implementation. The same right is accorded to an hon. opposition member. He can bring in a public bill or put a motion on the order paper, and in that way introduce them to the House.

Let us not forget that, in this House, the opposition represents a few more votes than the government. All one needs to do for confirmation is check the votes in the last election.

This procedure on public bills and motions has an honoured place in the whole of our tradition of Parliamentary government. They have an honoured place which, incidentally, is acknowledged in the daily printing of our routine proceedings, but they are treated with contempt by this government. They are left until the last few weeks of the session. They are brought in on the rushed days. In fact, are treated as sort of "odds and ends", brought forward at any point which the hon. Prime Minister happens to choose, particularly if he can catch an hon. member not in his place in the House.

I have no great hope that any protest on my part is going to get the hon. Prime Minister to change this, but I just want to say that I am giving the hon. Prime Minister full warning that every time he indulges in this kind of tactics I am going to expose it publicly. We have had enough examples in this country in past years of governments, drunk with the power of a big majority, playing footloose and fancy free with the historic right of the opposition, and I suggest that they should not be permitted to go unchallenged.

HON. MR. FROST: I would say to the hon. member that he should not become overwhelmed with the exuberance of his own verbosity—

MR. MacDONALD: The hon. Prime Minister is the last person who should make that charge.

HON. MR. FROST: Mr. Speaker, that is a statement which was made years ago, but I would point out that the opposition critic, the hon. member for Waterloo North (Mr. Wintermeyer) on Tuesday last, following the budget, was given the right of way. He had the opportunity, as he should have, of the fullest extent to elaborate upon his case, which he did, and there was not any time left for the hon. member for York South that day. The hon. member for York South moved the adjournment of the debate, which was quite proper. That was on Tuesday last.

Then, on the closing of the House, I stated 3 orders of business. I had hoped that with these 3 orders of business, the hon. member would be enabled to speak by about 4.45 p.m., which would give him at least the opportunity of developing the major portion of his address without in any way limiting him, and that then the matter could go forward. I endeavoured to do that.

As a matter of fact, the estimates of the treasury, which are usually very non-contentious estimates, came up, and the hon. member knows that there was considerable debate in which he participated to the fullest extent, and the matter was held over, and it was not possible to call him. As matters were he was placed in the position that his speech appeared in the *Toronto Daily Star* on Wednesday.

I may say to the hon. member for York South that this sometimes happens. I do not blame him. Those things happen; and I do not blame the press. I think the press do very well in the matter of getting these addresses in the newspapers and fitting in with the procedures of this House. I by no means criticize the *Star*, nor, indeed, the hon. member, but will say that I read his speech with very great interest on Wednesday night.

MR. MacDONALD: It is like good wine; it has bettered with age.

HON. MR. FROST: When we reached the end of our time the hon. member had his full opportunity to debate those estimates, which he did, and the time went by.

I put the hon. member on the list again for Thursday, as the House will recall, and again the time went by; but I told the hon. member that I would give him the very first opportunity, and I have done that this afternoon.

As things are, the hon. member has been dealt with courteously and with respect. There has been no justification for his statements here this afternoon. I have done the very best I can by putting him on first this afternoon. He might have had grounds for complaint on Thursday if there had been any insistence that he should go ahead at 5.30 p.m. I asked him in the afternoon if he would prefer that his remarks come on at a later time, and he said "Yes."

I would say that that is treatment which some of us were not accorded in other days. I have tried to be reasonable and fair, and I can assure the hon. member that I will always try to be. But it cannot be avoided if hon. members take orders of business in which we underestimate the time, as I clearly did. It is not my fault, and I think the hon. member might be more generous in his comments.

MR. MacDONALD: Mr. Speaker, I am a little curious as to why the table is out here today. Is it the suggestion that there might be estimates today?

HON. MR. FROST: I want to disabuse the hon. member's mind of anything that is not proper. When he has finished his speech — of course, it is conceivable that he will speak till 6.00 p.m., and that is his right and privilege, and I would be very glad to listen to him for that time —

MR. MacDONALD: We have dissension in the Tory ranks.

HON. MR. FROST: When the hon. member is finished I would like to clear up some of the bills on the order paper, and I think I would take the estimates of the Prime Minister's department. There are only two lines, and I think they are non-contentious.

MR. MacDONALD: I do not propose to pursue this any further, but I suggest to the hon. Prime Minister that he take some note of my statement about public bills and motions, because that is equally as important as anything that happened last week.

Mr. Speaker, turning to the budget, every budget is an historic document. Any important pronouncement of fiscal policy that is going to have as important an impact on the role of the economy of the province inescapably becomes an historic document, but the budget this year I think was a particularly historic document, because it broke new ground.

For some 10 years or so in the province of Ontario we have had budgets, the objective of which was to "stand pat", to move along in the same rut. They were typically Conservative budgets. This budget we had last week, or the week before — whenever it was — was a typical Conservative budget, particularly in its solutions.

But credit is due in this budget in that the hon. Provincial Treasurer (Mr. Porter) has faced up to some of the problems which have emerged in this province — and have not emerged in the last year, but have emerged over the last 8 years — problems upon which the government has been postponing the solution, or to which they have not even faced up. For that reason, the hon. Provincial Treasurer is to be congratulated on taking his political courage in his hands in this budget — not only for his political courage, but, as has been indicated by hon. members already, for an able presentation. There were even touches of inspiration, which is very much welcome amid all the figures that a budget represents.

I hope that in the give and take in this House, despite our differences, that we

can always acknowledge a good job done and I think in this case a good one was done.

Like the hon. member for Waterloo North (Mr. Wintermeyer), in his very apt paraphrase, my purpose today is not to come and praise Caesar, but to bury him. So, having extended my congratulations, I shall proceed.

There are two background considerations with regard to the budget on which I would like to touch. The first one is this: the province of Ontario in the last 10 or 15 years has experienced a phenomenal economic growth. Perhaps the magnitude of this economic growth can be best realized when one recognizes that, in the year 1939, at the beginning of the war, the gross national product in the whole of Canada was \$5.7 billion; in 1945, at the end of the war, the gross national product of the whole of Canada was \$11.8 billion. In other words, it had doubled during the war years.

Some 12 years later, we find that the gross provincial product of the province of Ontario alone is \$12.2 billion. In other words, the gross provincial product of the province of Ontario today is not only somewhat in excess of the national product of 1945, but is double that of 1939.

By any standard, this is a phenomenal kind of economic development, and even if one takes into account the fact that we have had a serious inflation during this period, so that our dollars, as Walter Reuther once described it, are made up of wooden nickels, that still does not deny the fact that this has been a remarkable period of economic development.

I want to ask why has this economic development taken place, because in this House, and, more important, across the hustings and across the airways, we have heard the claim advanced by spokesmen for this government that this era of prosperity is the product of the policies of this government.

It is remarkable the select list of topics on which we receive applause from the government benches.

Any objective analysis of what has happened in the last 10 or 15 years in this country would bring agreement on this: that during the war years we experienced a remarkable economic development because of the fact that we were faced in this country with absolutely unlimited markets and the need to produce for a world that was fighting for survival—a time when this North American continent was not only the arsenal but the food basket of the free nations.

After the war, we found this period of economic expansion, instead of tapering off, increased, because we had built up, during the war years, a great backlog of consumer needs. We had to continue to expand to meet these consumer needs, to meet the needs of the continent of Europe which was trying to pull itself out of the rubble, and to assist the underdeveloped areas of the world through the Colombo plan and certain UN agencies, to make some contribution in raising living standards across the world.

But even more important than that was the fact that, for the last 7 or 8 years, this nation, at the federal government level, has been spending approximately \$2 billion a year on defence expenditures. Ontario normally is not only the top industrial province—it is the province that has as great an industrial production as all the other provinces put together, including the province of Quebec. In meeting defence needs, an even greater proportion comes from the province of Ontario.

In a sense, we have had an artificially created prosperity with these \$2 billion on defence expenditures priming the economy. This province has been carried along for a period of 10 or 15 years on this great economic expansion for these various reasons. It has been carried on without any change in tax levels because the revenues of the province increased through the great development of economic activity.

The proud boast of the budget address in every year it was introduced by the hon. Prime Minister was that, in none

of those years, was it necessary to make any significant increase in taxes.

I want to suggest that this, rather than being a proud boast, was really an idle boast. What happened was that, as the wealth of the province of Ontario expanded, with its expansion the centres of that wealth shifted, with an increasing proportion of that wealth being found in corporations rather than in personal income.

While all that was going on, the government held to the same tax structure which was becoming more and more inequitable. In other words, we had during that 10-year period a very dynamic economy, but we had a very undynamic tax structure, as the government drifted along in the same rut.

The net result of that "stand-pat" attitude was twofold. First, the tax burden tended to fall more and more on the little fellow and less and less — in the terms of the relative capacity to pay — on the corporations, where an increasing proportion of the wealth of the province was to be found. Furthermore, because of its refusal to raise more revenue despite all this economic expansion, a second result followed — an unprecedented rise in our debt.

When the hon. Prime Minister took over the reins of government from his predecessor back in 1949, the provincial debt of this province was \$466 million; this year the provincial debt of the province is going to reach the figure of \$786 million. In other words, in something less than a 10-year period, according to the figures which the hon. Provincial Treasurer has given us, we are going to come close to doubling the provincial debt of the province of Ontario.

As I intimated last year, and the figures have not changed; the situation is only a bit worse, that for every year that the hon. Prime Minister has been leading this government since 1949—not for every year, for every day—the provincial debt of this province has gone up by over \$100,000.

The hon. Provincial Treasurer indulged in a little game of mathematical

calculations in which he reduced this provincial debt to standard dollars of 1939, he reduced it to per capita. All of this is very fine if we continue to experience great economic expansion in this province. But, the hon. Provincial Treasurer cannot get away from the fact that, during a period of high level of prosperity when other provinces in this country have been reducing their debt — in fact when one, two or three provinces have come close to, if they have not actually, achieved the elimination of their debt—in this province we have come close to doubling the debt.

If we should further experience the kind of recession which we have experienced in the past, all these beautiful little calculations of the hon. Provincial Treasurer about our revenues being only 1.75 times our debt, whereas a few years ago it was 5 times, will vanish into thin air. The fact is that our provincial debt today is \$786 million as compared with \$466 million back in 1949, when the hon. Prime Minister took over.

MR. NIXON: The hon. member is talking about net debt?

MR. MacDONALD: Yes.

MR. NIXON: Because the provincial debt is an entirely different matter.

MR. MacDONALD: I know the difference. The government will find out, as it has so many times in the past, what a fool's paradise it has been living in.

HON. MR. FROST: That is what the hon. member's predecessor said 10 years ago.

MR. MacDONALD: If the hon. Prime Minister just keeps on being optimistic, perhaps he will create the thing he is hoping for.

Mr. Speaker, the net result of this whole development, which I have just attempted to survey briefly here, is this: that we have today in the province of Ontario an inequitable tax structure

which has become increasingly inequitable over the last 10 years because of the refusal of the government to raise the revenues where the revenues are to be found.

In other words, the tax load is falling more and more heavily on Mr. and Mrs. Average Ontario Citizen, and despite the facade of tax changes which I hope to deal with later this afternoon and show exactly what they mean; despite this facade of tax changes that the hon. Provincial Treasurer announced a week or so ago, there has been no real change to get an equitable tax structure. This government is still being solicitous to its friends and benefactors — the great corporations of the province of Ontario.

The second background point I want to consider is our present inflation. One of the baffling things about public discussion which goes on with regard to economic matters, is this desperately important problem of inflation and the so-called credit squeeze policies of the federal government in attempting to cope with it.

I was very interested a week or so ago to read, in what I think is the second-last edition of *Maclean's* magazine, an article by that masterful writer, but incorrigible Liberal, Bruce Hutchison:

WHY OUR BOOM HAS THE EXPERTS SCARED

He sets out the danger in terms that I do not think are exaggerated despite his capacity for purple passages.

Inflation at its present rate would wipe out all your fixed savings within your lifetime, even if you are already in middle age.

Under the best of conditions nothing on earth can prevent a dangerous rise in prices during the next 6 months, together with a nuclear explosion in politics.

For the first time our newly invented and supposedly foolproof economic system is now on trial for its life and could easily end in a national smash-up.

And then, on page 33, he goes on:

Canada has plunged into its third post-war inflation, an inflation of capital investment. This is the current pressure that threatens to blow our economic roof clean off.

When we have people like Bruce Hutchison pointing to the fact that the accumulated savings of people, who are now at middle age, can be virtually wiped out before their "threescore years and ten", clearly we are facing a situation which is desperately important.

We in the CCF have for years listened to opponents charging that we are going to confiscate private property, or the savings which people have accumulated over the years, and yet, what we have in this country at the moment is a legalized confiscation. Inflation is nothing other than a sort of pickpocketing of every single man, woman and child in this country who happens to have a dollar in his pocket so that the dollar he had a few years ago is today worth about 48 cents.

Having sketched in that problem, what I want to look at—because the hon. Prime Minister and many other people, both in this House and elsewhere, have pointed it out in connection with provincial affairs—is that this is having a very profound influence on problems we face as a province, or at the municipal level today.

The reason for this great inflation, as Bruce Hutchison intimated in the article I read a few minutes ago, is that we are having today an unprecedented degree of investment, investment not only of Canadian capital, but even more important, foreign capital, particularly American capital coming into the country. This investment is creating the classic example of too much money chasing too few goods, with the result that prices are rising.

Our federal government has brought in a set of policies to cope with this situation, policies which are described as "the credit squeeze."

I want to suggest that these policies are not only failing to achieve their professed objective, but, what is more important, they are the roughest kind of rough justice. They are victimizing two or three extremely important groups, and creating problems to which hon. members in this provincial Legislature should give some consideration. The two most important victims of this squeeze are:

First, our whole housing programme, I wonder if the hon. members have noted the figures that became available for the month of January this year, namely, that the applications for loans to the Central Mortgage and Housing Corporation in Ottawa, in the month of January of this year, were down 80 per cent., as compared with a year ago. In other words, this year they were about one-fifth of what they were a year ago.

I was interested to note that the hon. Provincial Treasurer in his budget made passing reference to this general problem and its impact on housing. I was also interested to note that, despite the fact this government has had a low rental and public housing programme on the books, with an absurd objective of only 5,000 homes—an objective that was set back in 1951 and 1952, which has been fulfilled up until now only to the extent of 2,000 homes—in spite of all that, it gives no indication at all it is going to step in and fill this gap to meet the home needs of the people of this province.

At the same time as we have this phenomenal, this disastrous drop in home construction, industrial development in this country, and in this province, has increased about 15 per cent. as compared with a year ago; a 15 per cent. increase in that respect, and an 80 per cent. decline in the prospective construction of new homes.

The second victim—and this is having ramifications, the end of which it is almost impossible for one to catch up with—the second victim of this credit squeeze, and the policies implemented by the federal government to cope with it, are our municipalities.

We have today municipality after municipality in this province which simply cannot raise the revenue, simply cannot raise the social capital, to build the sewers and roads to be able to keep pace with the kind of development our growing population is imposing upon us.

Quite apart from the victims of housing and municipalities, there is also the average individual. I suppose there is not one hon. member of this House, who is not a business or a professional man, or who has not, for his own personal needs, gone to the bank and sought some degree of credit, and been faced with that resounding “No” which echoes in the bank today.

The thing which intrigues me most about this is that, against this background of great restriction in credit which is creating all these difficulties, the astounding fact is that at the present time in Canada the amount of bank credit which is out, as compared with a year ago, is not down. The amount of bank credit today in Canada is up \$750 million, as compared with a year ago.

That might seem to most hon. members in this House, and to most of the people who have been greeted with that resounding “No” from the bank when seeking credit, to be almost an incredible situation. The obvious question is, who is receiving this credit and where is it going?

When one looks into this, I think the simple answer is that it is going to our great corporations and those manufacturing industries which are now even stepping up their production to meet the fantastic investment boom that we have in this country.

The Gordon commission points out that since the end of the war, we have invested in Canada some \$50 billion, and approximately half of it has come from our great corporations—about \$24 or \$25 billion. But when we examine where the corporations got that money, we discover they got the money—\$18 billion of the \$24 billion which they have in-

vested since the end of the war—not from the bank, but from their internally generated reserves.

Between 1945 and 1955, the first decade after the war, the amount of internally generated reserves in corporations was made up of \$7 billion of undistributed profits and \$11 billion of depreciation allowances, for an aggregate of \$18 billion.

When a great corporation goes to the bank and wants to expand some more, according to the record of the post-war years, \$3.00 out of every \$4.00 it requires is in hand without borrowing. So that, when the federal government comes up with a credit squeeze policy, a monetary policy, for restricting credit, what it does is restrict the credit of that very small amount the corporations require to continue this development. For them, that is no restriction at all.

The result today is, in the words of Bruce Hutchison, that we are driving madly towards the edge of the precipice with consequences, perhaps before the end of the year, that are rather terrifying to contemplate.

Another interesting aspect of this—and I think it is useful to glance back for 5 or 6 years—is that this is not the first time the Liberal government at Ottawa has toyed with the problem of inflation, has gone through the motions of doing something which was completely ineffective. I have here a quotation from the Rt. hon. Douglas Abbott, who was the Finance Minister of Canada in 1951, when we had the second wave of post-war inflation, created primarily because of the Korean war. Mr. Abbott in the House of Commons made this statement:

Heavy capital expenditures . . . are providing the most severe internal pressure and all signs point to increasing pressure from this source . . . Capital expenditures are much more difficult to hold within bounds. Monetary and credit policies are having a restraining effect, but a large proportion of business corporations

still have a highly liquid position and to that extent are less affected by these financial controls.

The increases in corporation income taxes which I shall be proposing . . . will drain off substantial amounts of corporate profits, but the total volume of profits remaining in corporate hands will still be sufficient to maintain and, in some cases, to increase the capacity of corporations to plan additional capital investment without recourse to borrowed funds.

Just to show the hon. members how absurdly ineffective Mr. Abbott's professed policy was, just let me read these figures—and I do not want to read figures that are incomprehensible but I think these can be grasped:

In 1951 the total amount of undistributed profits was \$721 million. Two years later it was \$754 million. In 1955 it was \$905 million. In other words, there was no serious drop off.

Then Mr. Abbott went on; he made this further comment with regard to an even more important phase of internally generated reserves—depreciation allowances. This is what he said, in 1951 in the House of Commons *Hansard*, April 10:

What we need is a stiff financial deterrent that will affect particularly the business man who is considering the kind of investment which is attractive because it can be written off out of the expected high profits of the next few years. To provide this deterrent it is proposed to defer for a period of 4 years the right to charge depreciation on all actual assets.

Mr. Abbott was asserting that we must cut down on the amount of accumulated depreciation allowances in this country because this is one of the sources which is creating inflation. But what happened? Let me read some figures on depreciation allowances for the years 1951 to 1955 inclusive.

In 1951 it was \$1,142 million; the next year, \$1,290 million; the next year, \$1,504 million; and the next year, \$1,689

million; and the next year, \$1,828 million for an aggregate, in the post-war decade, of over \$11 billion of depreciation allowances.

This kind of thing is an indication of the fact that past policies, as well as present policies of the federal government, are merely toying with this problem. They continue to toy with it because they refuse to plan the economic life to avoid a disaster, and to use whatever degree of economic control is required, as we did during the war, to meet our national needs.

As a result, we are drifting towards the edge of the precipice with all the consequences which might emerge before the end of the year.

Before I leave this second and very important background consideration of the budget debate I want to make just this point: I have listened to the hon. Prime Minister and the hon. Provincial Treasurer, and many other hon. Ministers of the cabinet in the past number of months being critical of the federal government for this kind of policy. I want to say, without fear of contradiction, if the Conservative party were in the saddle they would be doing precisely the same kind of thing.

This is the orthodox, free enterprise kind of approach to coping with a problem which requires economic controls. The so-called enterprisers refuse to implement these controls even though neglect means continued confiscation of the wealth of this nation, day in and day out. I am convinced on their past record, while the Conservative hon. members may indulge in criticism, if they had been in power at Ottawa, this is precisely what they would have done themselves because, they too are captives of the same economic groups who oppose controls.

Getting down now to items in this budget, rather than background considerations, I want to make this general point at the outset. The basic criticism that the CCF has of government's policies, and their propaganda barrage over the last months, is that they are

obviously far more interested in squabbling with the government at Ottawa for what share they are entitled to of existing taxes and revenues rather than taking action back home to raise revenues from obvious sources of taxes right here in the province of Ontario. This squabbling may make a good deal of fodder for the election on the eve of battle, but it does not get down to basic fundamentals.

Furthermore, the Liberal party in this House is far more interested in getting in on this squabble and championing the cause of the federal Liberals, as to who is going to get what share of present revenues, instead of putting the pressure, as they should be doing, on this government to do its share of collecting revenues from the sources within the jurisdiction of the province.

AN HON. MEMBER: More new taxes?

MR. MacDONALD: Let me come to that in a moment. This government put more taxes on.

HON. MR. PORTER: The hon. member voted against them.

MR. MacDONALD: The Liberal party has indicated what it would like to have done. We have had 3 or 4 indications as to what the line of its policies are. For example — I have mentioned this before — but to bring it back into the picture again, let me quote the hon. Leader of the Opposition (Mr. Oliver) some two or three years ago on his whole attitude to corporate income, when he stated:

I believe we are prone to look upon the reported figures of profits in some of these companies with a foolish eye and we do not dissect the statements sufficiently to find out in many, many cases that the taxes imposed by governments lower the supposed profits to a very small figure indeed.

In the light of the figures which I gave earlier of profit levels left to cor-

porations after taxes in Canada, resulting in \$18 billion of undistributed profits and depreciation allowances, we can just see how far away from the realities of the situation that statement is.

Then the hon. Leader of the Opposition rose and in his Throne speech criticism, he listed new sources from which we could get more revenue, but last on his list was the proposition that we might increase corporation taxes. In fact, it was obviously put forth with a degree of reluctance, as the most expendable of these items which the government might consider in raising revenue.

MR. OLIVER: That is the hon. member's interpretation.

MR. MacDONALD: That is what the hon. Leader of the Opposition said and what the hon. financial critic of the Liberal party has confirmed in his speech which I want to get around to now.

When the hon. member for Waterloo North made his speech — and I must pay him the compliment of saying it was a serious and reasoned speech — he succeeded in tearing aside a good deal of the propaganda with which this government has clothed its whole discussion with the federal government at Ottawa. In his serious consideration, I think the hon. member got down to some of the fundamentals and I want to examine some of those fundamentals. His reasoned speech deserves an equally reasoned analysis and reply.

The hon. Leader of the Opposition made a "crack" at some point when I referred to corporations, lending credence to this proposition that the CCF are opposed to corporations, as such, in a sort of blind antipathy. Obviously, this is absurd.

Our contention is this: the wealth of this nation is shifting, and is, increasingly to be found in corporations, therefore it is inescapable if we are going to raise revenue to meet the collective needs of the people — and that is what govern-

ments are forced to do in this century of the common man with democracy as the basis of our government — it is inescapable that we go to corporation income to raise more of the revenues to meet those needs.

These are the fundamentals, and I want to state them before I take a look at one or two aspects of the speech of the hon. member for Waterloo North.

As far as we in the CCF are concerned, if we need more money, and the government says we need more money, and I do not think their need can be denied in terms of the social and capital needs of this province, it is inescapable we must go where the money is.

Furthermore, there is a corollary to this proposition of raising the money where the money is, a corollary which should be a basic guide in considering all new taxes by our Legislature and any other Legislature. That is, that income taxes are the most progressive form of taxes that can be devised.

Income, whether it be personal or corporate, is the most progressive tax, for the simple reason it raises the tax from the people who have the capacity to pay. If they have the money, then they have the capacity to pay. Moreover, the sales tax, and a whole range of nuisance taxes, as the hon. Prime Minister has often indicated, are a highly regressive form of tax. I agree with the hon. Prime Minister, and I emphasize now that they are highly regressive.

They are regressive for the simple reason that, if a government puts a range of sales taxes on commodities, what it is in effect doing is charging the low income man the same amount on his necessities of life as it charges the upper income group on the luxuries of life. Obviously, that is not a fair and equitable way of raising revenue.

HON. MR. PORTER: Is that what they do in Saskatchewan?

MR. MacDONALD: The government in Saskatchewan has a tax which

it inherited from the Liberal party, but it had the intestinal fortitude to "go it" alone and put hospital insurance in effect, whereas this government has not, as yet, had the intestinal fortitude to do that. This government insists that Ottawa come in and hold its hand.

HON. MR. FROST: If we do get hospital insurance would the hon. member still have a sales tax?

MR. MacDONALD: I have no intention of answering that question, because it is like the question of the man beating his wife. The hon. member for Riverdale (Mr. Macaulay) last year summarily dismissed my speech as a diatribe, yet this year he got up and suggested the very same sources for new revenue that I suggested in my last year's speech. I will get around to where we can get revenues before this is all over.

What I want to deal with now are a number of points in the speech of the hon. member for Waterloo North on February 14, 1957, as reported at page 381 of *Hansard*. He said that portion of our revenue which came from corporate and personal income tax was roughly 25 per cent. back in 1939, and the hon. financial critic of the Liberal party then proceeded to spell out what has happened since. At the federal level it has risen as high as 50 per cent., and with new taxes and the rental agreements that we are going to have, 45 per cent. of our provincial revenue is going to be from this source.

Then, the interesting thing was, he deplored this trend. He said this:

If, in Ontario, we are getting close to 50 per cent. from the same 3 sources, then when are we going to stop expecting that more and more of our expenditures be financed by income tax, succession duty and corporation tax? Certainly there must be some stop somewhere.

Then he went on:

It may be that I am old-fashioned but I would suggest that in our dash for the welfare state—

I want to interrupt the quotation right there for a moment. This is very interesting because I am certain I am not doing an injustice to the hon. member when I say that in his observation about

—in our dash for the welfare state—

there is an element of deploring in it. What I am interested in is, how long the Liberal party — this so-called reform party — is going to continue talking out of both sides of its mouth? If they are going to support the social security measures making up the welfare state, they cannot avoid raising revenue and it should be raised on an equitable basis. The Liberals want higher pensions, hospital schemes, and money for other things, yet refuse to raise money from the only source from which one can raise it on an equitable basis.

But let me return to the hon. member's speech:

It may be that I am old-fashioned, but I would suggest that in our dash for the welfare state we are thinking of those people at the extreme ends of our population—those unfortunates who have nobody to help them and for whom we have the greatest sympathy, and those at the other extreme who have all the finance and worldly goods they need, and do not need our assistance.

When we think in terms of help we should think of the average man—the average person—a person like you and me. We are the people who will pay the income tax. Half of all the income tax collected in Ottawa today is collected from people who are earning \$5,000 or less.

Where in the world are we going to stop? We talk about "golden geese," and "the geese that lay the golden eggs." The fact of the matter is that the average person is the "golden goose" in this province.

Then the hon. member for Waterloo North goes on to elaborate and to drive home his proposition that we should not

be increasing corporate and personal income taxes because it is a bad thing.

What I want to ask the financial critic of the Liberal party is this: if he really wants to lessen the burden on the so-called average man, which the Liberal party is going to champion, there is only one way to do it, and that is to raise more revenue from the upper income brackets or the corporations —

MR. OLIVER: What about the little corporations?

MR. MacDONALD: I am coming to them. I have so many things the hon. Leader of the Opposition cannot keep up with them.

MR. OLIVER: I can catch up with you any day.

MR. MacDONALD: If the Liberals are going to lessen that burden on the average man, they have to raise the revenue from the upper income brackets and the big corporations.

However, let us proceed with the comments of the hon. member: he went through an extremely interesting calculation, providing an illuminating glimpse of provincial finances across the country. I assume his figures are correct — I have no reason to quarrel with them — and he discovered, when he calculated on a per capita basis the revenue raised in each of the provinces in this country:

For every man, woman and child in British Columbia it is \$120, Saskatchewan \$81, New Brunswick \$61, Quebec \$59, Nova Scotia \$51, Newfoundland \$49.50, and then we get down to Ontario \$48.50; Manitoba \$38, Prince Edward Island \$37.90 and Alberta \$13, which they are going to eliminate now with their \$22 bonanza that we are reading about in the papers.

AN HON. MEMBER: What is Saskatchewan?

MR. MacDONALD: Saskatchewan is \$81, but they have some services out

there; the hospital plan, for example. The hon. member for Waterloo North claimed, if an equivalent amount were raised per capita in the province of Ontario as is raised in the province of Quebec, that this government would have \$241 million more revenue; just by duplicating in the province of Ontario the taxes in the province of Quebec.

He immediately became horribly cautious and said, "I am not suggesting this should be done." Now, the question I want to put to the hon. member is this: if he does not want to raise this additional revenue by sales taxes, or such nuisance taxes as tobacco and hospital taxes, there is only one alternative, and that is, he has to raise it from personal and corporate income. He cannot have it both ways because, in effect, he is being irresponsible: he suggests we need more revenue, and denies both of the general channels to which one can turn to raise more.

MR. WINTERMEYER: Mr. Speaker, may I clarify one thing: the hon. member is perfectly correct when he says there is a dispute between us regarding the definition of regressive tax, and I will assist the hon. member in every way I can, in that respect. If the hon. member wants to accept that as a starting point, and do away with all the trimmings, he can get down to business.

MR. MacDONALD: Mr. Speaker, I am not sure of the hon. member's definition of regressive tax. I know what my definition is. A progressive tax is based primarily on the ability to pay, and, therefore, it is based on income, and those who have the income pay the tax.

MR. WINTERMEYER: That does not follow at all.

MR. MacDONALD: Certainly it follows. On a regressive tax, and the various nuisance taxes, they weigh more heavily on the little man than they do on the wealthy man for the reason I

indicated a moment ago, that he pays an equal percentage on his necessities of life that the upper income bracket do on their luxuries of life.

I do not happen to have it with me, but I could give hon. members a magnificent quotation by the late hon. John Bracken, a gentleman who used to be Liberal leader in the province of Manitoba and was a federal leader of the Conservatives, which makes him a remarkable political hybrid. He, in his submission to the Rowell-Sirois commission in 1939 and 1940, stated one of the most able condemnations of the regressive features of a sales tax that can be found anywhere.

The conclusion I come to after analyzing the Liberals' approach is this — which I emphasize is extremely important after the kind of battle we have witnessed across the floor of the House. Essentially the Liberal party does not disagree with the Conservative party at all on these things. Their only difference, in the words of Gratton O'Leary, is a difference of mood and bias.

The only difference now is that this government, because it is in power and must raise the revenue to meet the needs of the province, has put on a corporation tax which it does not like, but the Liberals, in opposition, can act irresponsibly and, therefore, champion the causes of the corporations without any fear of getting into trouble over it. They are doing that — the Liberals are more Tory than the Tories.

MR. OLIVER: What about the hon. member for York South?

MR. MacDONALD: I will come to what should be done on an equitable basis with regard to corporations. The hon. Leader of the Opposition should not get so anxious.

The hon. member for Waterloo North made this comment in reaching the peroration in this respect of his speech the other day. He declared that there are two sides to every question: "The government has one side; let us take up the other side," he urged.

However, the great difficulty is that, while there may be two sides to every question, the Liberals are on the same side as the Tories.

MR. STEWART: It must be right, then.

MR. MacDONALD: The Liberal party in Great Britain thought that too, and found themselves eliminated, and the day will come, I suggest, when the same thing is going to happen in this country—that the sham battle between two parties who are out to protect basically the same economic groups, and not to raise an equitable share for meeting the collective needs of our people, that sham battle is going to be "seen through", as it has been "seen through" in every country in the world.

The financial critic of the Liberal party for a moment stopped burying Caesar and two or three times he launched a little "pep rally." I was a little puzzled as to what he was attempting to do, but I concluded he was trying to bring some order out of the demoralized ranks of the party, calling upon them to stand up and be counted on the opposite side of the Tories—right after he had shown they are on the same side as the Tories. Rallying the ranks is going to be a very difficult task for the hon. member.

All of which brings up another rather interesting point that has intrigued me throughout our debates. I recall in the Throne debate the hon. Leader of the Opposition said that what we must have is a 20-year plan for highways—a master plan—and then the hon. financial critic of the Liberal party argued that we must have a master plan.

I do not know where the Liberal party has been, but it must have been asleep, because anybody who has had any contact with the highway revenues committee, or anybody who ever read the *Toronto Globe and Mail*, which published a series of articles on the highway study conducted by the government for the past year, knows that the government, for better or for ill, is going to produce a master plan.

The hon. Minister of Highways (Mr. Allan) said the other day that we will have it before the end of this session. So what the Liberal party is doing is asking the government to do something which, if they have not been asleep, they must know the government is going to do anyway.

In the industrial world there is a particularly distasteful kind of organization: it is called a company union. There are two characteristics of a company union: it has no real difference with the boss; the other characteristic is that it never demands anything from the boss that it does not know in advance management is not going to give. On the basis of that definition, I cannot escape the feeling that the Liberal party is a company union for the government.

MR. OLIVER: I am certainly glad we differ from the hon. member. I would not want to be too closely associated with the hon. member's political philosophy.

MR. MacDONALD: There was a day when the hon. Leader of the Opposition was closely associated with movements close to us, and there were some of the others who remained true. As the late Agnes MacPhail said one day, there is no room for two Tory parties, and neither there is. The Liberals are even a better Tory party than the Tory party itself.

MR. OLIVER: Which is the hon. member going to be—Tory or Liberal?

MR. MacDONALD: Mr. Speaker, I want to turn now to what has been demanded of me, and rightly so—where this required revenue can be raised, and raised so that we will have a more equitable tax structure rather than an increasingly inequitable one, such as has been developing more and more since the end of the war.

The first thing I want to deal with is the corporation taxes which the government has announced it is going to put into effect. This is a move in the right

direction, but it does not go far enough. It represents a mere cupful out of this overflowing barrellful of corporation profits and internal generated reserves, the exact figures for which I gave earlier; because corporations are reaping the growing proportion of the income of this province and of this nation.

The point I want to make is that the corporations represent an accumulation of wealth which is really the result of collective effort of a great many people in the community and not just those people who happen to control the corporations, and who are left by favourable tax policies given to them by friends in the government with all his accumulated wealth under their control.

MR. R. WHICHER (Bruce): What about the large unions in the United States? They have plenty of money.

MR. MacDONALD: That is a red herring. When the Liberal and Conservative parties weep their crocodile tears for the corporations, it is about time that we took a look at the factual situation in this country with regard to the treatment corporations get.

The position at the present time is that up to the first \$20,000 of taxable corporate income the tax is 18 per cent., and, as the hon. member for Bruce pointed out the other day, 70 per cent. of the corporations in this country are to be found in that group. I do not know what he is arguing about when he complains, or implies by his complaint, that this is not a fair kind of proposition—for the thing that interested me when I checked the other day on a personal income is that in the taxable income bracket between \$2,500 and \$3,000, the amount of tax on each \$10 new income is \$2; in other words, the rate is 20 per cent.

Would the hon. member argue that it is fair for any corporation, even a small corporation, to pay less than a person with a taxable income of \$2,500 or \$3,000 is paying? And yet, that is exactly the position at the present time.

MR. WINTERMEYER: Mr. Speaker, I do not want to take up the cause of the corporations at all, but in all fairness, has the hon. member for York South any realization of the fact that before that sum of money is paid to the recipient, to the shareholder, an additional tax will have to be paid by the shareholder?

MR. MacDONALD: Yes, I know that, but I do not accept the argument that it is a double tax. This corporation represents an accumulation of wealth which is as legitimate as a source of tax to meet the collective needs of the people, and I do not accept the proposition that, because it is going to be passed on to some dividend holder, it is not fair.

I will come to the dividends in a moment — just to show what happens at that level in some instances.

However, to get back to the corporations, over \$20,000 taxable income the rate is 47 per cent. I recall in 1953 when the Rt. hon. Douglas Abbott, before he was elevated to the bench in Ottawa, to the Supreme Court, brought in a budget on the eve of a federal election. In that budget he made the plea — Liberals weeping crocodile tears for corporations — that something must be done to increase the incentive so the corporations would do a job in this country.

This, incidentally, was in reversal of his whole policy of coping with inflation.

He argued that we must increase the incentive for corporations and therefore he reduced the corporation tax from 51 per cent. to 47 per cent. The interesting thing is that, at precisely the same time as Mr. Abbott was doing this, the standard corporation tax in the United States of America was 52 per cent., that is higher than in Canada.

In addition, when American profits reached a certain level, there was an excess profits tax of 30 per cent. The Republicans have eliminated all this since, but they had this excess profits tax of 30 per cent. in 1953.

In addition to that, they had a capital gains tax. So here we had the spectacle of a Liberal Finance Minister getting up in this country and saying: "We have to give these poor boys a little bit more incentive so they will go out and do the job," and reducing the corporation tax — which was already less than that of the United States — when the United States had in addition to their standard tax a 30 per cent. excess profits and capital gains tax. This is the kind of thing we have had down through the years in the Liberal party in their approach to corporations.

In taking a look at the overall picture let us not forget another aspect of it, depletion allowances; in other words, any company which derives 75 per cent. of its profits from mining is credited at 20 per cent. special income tax reduction. If they get 50 to 75 per cent. of their profits from mining, they get a 15 per cent. reduction; if they get 25 to 50 per cent. of their profits from mining, they get 10 per cent. special tax deductions — another concession to fit the peculiar needs of the corporations.

All I am doing is pointing out exactly the kind of treatment that corporations are receiving, to get the picture in balance instead of all the weeping and wailing we have had with regard to the plight of our poor corporations.

Another point, a new mining corporation, as is generally known in this House, for the first 3 years does not have to pay any corporation tax.

We now get back to dividends, and here the hon. member is more Tory than the Tories, I am afraid, when he argues that we should not tax at the corporate level because it is going to get through to the dividend level, and will be paid there.

The hon. member's party in Ottawa devised a little scheme, about 5 or 6 years ago, whereby anybody who has an investment income drawn from Canadian investment, Canadian corporations, can get a 20 per cent. special deduction from their tax, not their taxable income. The net result of this, without going

into the details of the calculations at the moment, is this — a person in this Dominion of Canada may actually have an income from Canadian corporations, an investment income from Canadian corporations, of something in excess of \$10,000 without paying a single cent of tax.

MR. WHICHER: There are a lot of your labourers who would take advantage of it too.

MR. MacDONALD: Do not be fatuous. It is too bad we did not have our only hon. labour member in the House to make this comment that there are lots of labourers in this country who have an investment income of over \$10,000. What an absurd kind of proposition!

After having looked at the general treatment of corporations, I hope we are going to be able to persuade the Liberals and the Conservatives to save their tears.

In connection with this, there are one or two other points that have been raised and which I think are important. I will concede the point raised by the hon. member for Waterloo North, that it is not a good thing that our corporation tax levels in the province of Ontario should get too far out of line with corporation tax levels in other provinces. For obvious reasons that would not be a good thing, and the consequences could be far-reaching. But this is the dilemma of the old parties — for if the Liberals at Ottawa will not raise an equitable amount from corporations, then this government must have revenue and it must do the taxing. That is the dilemma of the old parties, and it is a dilemma arising from the fact that both of these parties seek to protect these powerful interests, and as a result, are putting an undue proportion of the tax load on the average man.

MR. STEWART: That is socialism.

MR. MacDONALD: The hon. member for Waterloo North made another comment which I would suggest, with-

out going into the details of it, has no likely validity, namely if we were to raise corporation taxes in the province of Ontario — even the two per cent. now being raised — then, our industrialists will be driven west. The other provinces would be interested in them, all the provinces in the west.

But I am quite certain it is not likely to happen because the cold, hard, economic fact of this Dominion of Canada is that because of history, economics and geographical position, the province of Ontario has a favoured position industrially. It arises from our position in the North American continent, with our waterways and other transportation, so that today, because of these facts, one-third of the national market of Canada is to be found within a 100-mile radius of the city of Toronto. That is the reason why industry is developing here and why there is not much likelihood of very much of it going west.

Problems are being created within this province itself—as I am sure the hon. Minister of Planning and Development (Mr. Nickle) is aware—the difficulty of having industry develop in northern Ontario or even elsewhere in southern Ontario because of the extreme advantage of being within that 100-mile radius of this great market. That is resulting in this Toronto area stealing industry not only from northern Ontario but even from areas like Windsor. We have plants like Ford moving from Windsor to Oakville so they can get within this great marketing area.

The hon. financial critic of the Liberal party made another comment which I think has validity. He suggested that, in placing this increase in corporation taxes across the board, it weighs more heavily on the small corporation than on the big corporation—that it is another inequitable taxation within the inequitable tax structure. He suggested a grading in terms of taxable income to remove that kind of inequity.

But then, when he draws from this development the conclusion that what

this Conservative government is going to do is to destroy the little corporations, which represent 70 per cent. of our corporations, and the backbone of the country, what he forgets is that the greatest threat to the little corporations are the policies of his own party at Ottawa.

Without going into the details of it, I just want to quote from a very interesting article in the *Atlantic* magazine by John Kenneth Galbraith, who is a Canadian, born and raised near Strathroy, I believe, and an outstanding economist in the United States. Mr. Galbraith says:

It would be hard to find a policy better designed to encourage the large and the strong at the expense of the small and the weak. When banks must limit credit, they are impelled to protect their oldest, strongest, and most reliable customers. These, in general, will be the larger firms. (For one thing, the large firm has the strength and reputation to take itself to another bank if it does not already have multiple banking connections.) As a result the burden of the cut falls on newer, weaker, less reliable—and smaller, borrowers. There will be many exceptions to this tendency, but the tendency is inescapable.

All one has to do at the present time is to take a look at the bankruptcy figures for small corporations and the economic difficulty that small corporations are having as they get smaller while large corporations get larger under the impact of this credit-squeeze policy, and he will discover that here is the real threat to small corporations. While I agree the two per cent. corporation tax should be more equitably distributed across the corporation field, it is not going to hit the corporations one-half as much as the policies of the Liberal party at Ottawa.

I want to move on the gasoline tax. I do not propose to go into the details of this for the simple reason that we have already discussed it a number of

times in the House. The point I want to address my remarks to at this stage is this—the government could have raised the amount of money that it is now going to receive from this gasoline tax in other ways, and by so doing it could have removed, or at least lessened, the inequity in the present highway revenue tax structure.

For some reason or other it refused to do that, it chose to increase the basic gasoline tax, thereby increasing the present regressive features in its highway revenue.

Incidentally, in so doing, as I indicated in an interjection across the House when it first came before the hon. members, it has proven my suspicions to be fully justified. I had some misgivings as to whether or not I should sign this highway revenue report, as I suspected the government was going to do precisely this kind of thing.

Little did I know how much of a prophet the hon. Provincial Treasurer was going to make of me within 48 hours, for he did exactly what I thought he was going to do—add to the inequity of the present tax structure by dumping it on the little man, who is a car driver, the passenger car owner, instead of sharing it with owners of heavier vehicles.

The government has done this in face of a specific recommendation made by the majority of the members of the committee—that, as a means of getting greater equity into our tax structure, we could revise our present licences on heavy vehicles and could couple with those revised registration fees a fuel tax graded up from the basic gasoline tax for the various categories of heavy vehicles, thereby raising an amount of revenue from these various charges which would come within reaching distance of the amount of revenue the hon. Provincial Treasurer proposes to raise from the two-cent increase in the gasoline tax.

MR. MACAULAY: In 48 hours?

MR. MacDONALD: Not in 48 hours, but certainly, as recommended

by the committee itself. As an immediate stop-gap measure, it could be implemented in a number of months, and thereby avoid increasing the inequity.

The other day, when we were discussing this matter, the hon. Prime Minister said that this is administratively too difficult a proposition.

This places me in a very amusing and interesting position, because this is precisely the argument I had with the committee, that this was the kind of thing that might be administratively just as difficult. But for some reason or other, all the other members of the committee felt that it could be done. Apparently, now the hon. Prime Minister agrees with me, and disagrees with all the rest of the committee, 8 of whom were hon. members of his own party.

This is interesting; but it does raise the question of what value committees are if the recommendations coming from his own hon. members are going to be discarded so readily by the government.

Before we leave this particular point, we should extend congratulations to the truckers, because in spite of all the fury that has been raised by their spokesman, and all the running around like hens which have had their heads cut off in the Queen's Park area in the last couple of weeks, the fact of the matter is that they have succeeded. There is no implementation of the weight-distance principle, and this government has given no indication that it is going to do it; and that is the thing that counts for the trucking lobby.

As an alternative, to keep the action moving, to give some impression that the government is going to do something, the hon. Prime Minister has announced that he is going to establish a new Department of Transport.

From the details we have in the statement of the hon. Prime Minister, I think this proposal has merit. When we have reached the stage where a Deputy Minister in The Department of Highways is faced with a budget of something in excess of \$200 million for the building and maintaining of roads, then some of

the other responsibilities now with him, such as highway revenue, highway safety, and all other aspects could rightly be dealt with in a more effective way through a special department of transport.

I would agree, however, with the view that has already been expressed in this House that we do not need to have another cabinet Minister. I know it must be an attractive prospect to be able to appoint another cabinet Minister, but I hope it is something that the hon. Prime Minister will try to steel himself against. With the number of cabinet Ministers we have in this province at the present time, if and when the days comes—and it will—when the government will have something approaching one-half of the hon. members in the House rather than the overwhelming majority it has at the present time, the government will get to about the point where half of its elected hon. members will be hon. members of the cabinet.

AN HON. MEMBER: You are an optimist.

MR. MacDONALD: Am I an optimist? We shall see in the fullness of time.

That, I can quite understand would be an attractive thing for the hon. Prime Minister. I know of two or three ridings which he visited during the last election and mentioned the possibility of a cabinet post; and I know of two or three other hon. members whom I do not think are within reach of a cabinet post, but who intimated locally that they would likely get one—all by way of election bait.

I think we have enough cabinet Ministers to meet the needs of the province, and agree with the suggestion that, in the establishment of another department, it should be placed under one of the hon. Ministers—perhaps, as the newspapers have indicated, it should be the hon. Prime Minister himself.

But, Mr. Speaker, I do not want this House, or the people of this province, to be fooled for one moment.

All of this elaborate setting-up of a new department is just a bit of political footwork which may be achieving certain purposes, one of which is to hide the fact that this government is not doing anything in respect of revenue, once again, from where the revenue should come. I refer to the "big fellows" in the transport field.

Instead, too much of the load is being "dropped" on the little fellows, the passenger car drivers. That is exactly what the government has done.

I want to say that we in the CCF are opposed to this, and are going to fight it both in this Legislature and across the province to give voice to what, I am certain, is a very widespread degree of public opposition to this new tax; because of the fact that it increases the inequity and does not raise the money from the source where it should be raised.

I want to move on to another group of taxes which the hon. Provincial Treasurer dealt with, and these are resources taxes.

I listened to the hon. Provincial Treasurer announce that he was going to increase the logging tax, and because of some readjustment or re-negotiation with Ottawa regarding this tax, instead of receiving \$900,000 in revenue this next year, we are going to get \$2 million.

If there ever was a case of an increase in tax that could be described as "peanuts", this is it. It is fantastic to have the hon. Provincial Treasurer come into the Legislature, weeping and wailing about the great need of this province to have more revenue, and then to come up with this kind of picayune effort. This is the point at which I have described the hon. Provincial Treasurer as having laboured and brought forth not a mouse but a flea.

HON. MR. PORTER: That was in the newspaper the other day.

MR. MacDONALD: Yes, it was in the newspaper the other day. That was a bright one.

HON. MR. PORTER: I am glad the hon. member has repeated it, because I had not read this until today.

MR. MacDONALD: But this is like good wine. It has improved with the age it has acquired.

HON. MR. PORTER: "‘He has brought forth not a mouse, but a flea,’ declared Mr. MacDonald."

MR. MacDONALD: That is right.

The reason why it is in the category of the "flea" is this: I want just to take a brief look, and also have this House take a brief look, at the general position of the forest industry in this province.

During the past year, this is what this government has raised from the forest industry of this province through The Department of Lands and Forests — \$20.5 million plus this \$900,000 we received from the logging tax; so that the total amount of revenue we received in the last year was \$21.4 million.

Do not think we had all that revenue to meet the needs of the province, because this government had to plough back, to service the industry from which they got it, the sum of \$16 million, so that the net revenue which was available for the province of Ontario—the people who own these resources which are leased to this government on their behalf — the net amount of revenue which was available for the province of Ontario was \$5.4 million.

What is going to happen in this coming year? This is very interesting. During the coming year, the hon. Provincial Treasurer has intimated that he is going to get from The Department of Lands and Forests \$22.6 million, plus the logging tax of \$2 million, for a total of \$24.6 million. But the hon. Provincial Treasurer intimates that he is going to plough back, to service the forest industry through the long-delayed re-forestation programme and all the rest of it — he is going to plough back \$19.6 million, so that the net amount of revenue available for the people of the province is an even \$5 million.

Last year before he raised the tax we had a net revenue of \$5.4 million. This year, after he has raised the tax, we are going to have a net revenue of \$5 million.

If that is not a flea-bite — in view, of the fact that these industries represent an annual productive wealth of \$600 million — if that is not a flea-bite, how else would one describe it?

I would draw the attention of the House to the fact that this is in a field where many of the great companies in the forest industry are the pulp and paper companies. We in this nation have watched these pulp and paper companies, on many different occasions during the last 4, 5 or 6 years, raise their prices for an unabashed gouging of the public, when their profits were already at a fantastic level.

In fact, the gouging has provoked the Premier of a neighbouring province into rather drastic action, and has led to the prospect of American Senate investigation of combines and prices down in Washington — because a good deal of this paper is sold to the United States.

This is the kind of thing that is going on in the industry, and the hon. Provincial Treasurer, after weeping and wailing, comes and raises for the needs of the people of the province of Ontario, the sum of \$5 million in the next year, out of a wealthy productivity of \$600 million.

Let me turn now to mining. In the mining industry, which the hon. Minister of Mines (Mr. Kelly), in his commendable, rapidly-produced report to the department the other day, *Riding the Crest*, has reached \$640 or \$650 million.

Last year, we raised in revenues something like \$8 million.

This year, we are proposing to raise \$17.5 million, ploughing back to service the industry \$1.5 million; so that the net revenue to the people of the province of Ontario, who own these resources, and lease them to these industries

through this government — the net revenue is going to be \$16 million, out of a total annual wealth product of \$650 million.

I suggest that this is pretty close to laughable, because let me direct the hon. Provincial Treasurer's attention to this: last year, one mining corporation in this province — one corporation — International Nickel, had \$91 million in profits after taxes.

MR. WINTERMEYER: Has the hon. member any idea what percentage of the invested capital that represents?

MR. MacDONALD: I have no idea; but I will tell the hon. member for Waterloo North that, after they had the \$91 million in profits after taxes, they salted away another \$34 million in undistributed profits; so that they have an accumulated surplus of \$218 million — or something in excess of the annual budget of our Department of Highways at the present time.

It is true INCO is the giant in the field, but, after all, if one takes a look at Steep Rock with \$13 million in profits after taxes, Kerr-Addison, with \$2.6 million, Hollinger with \$2.2 million, and so on across the mining field, I do not see how the hon. Provincial Treasurer thinks that he is raising an equitable amount to meet the great needs of this province and the needs of its people.

There is another aspect which puzzles me, and I do not know why, in the interests of both this government and the corporations, the hon. Provincial Treasurer does not raise more revenue on the resources level. In a resources tax, the tax at the resources level becomes a deductible item for federal income tax. In other words, if one were to raise more revenue than this province claims it needs, and raised it at the resources level, it would hit the industries less. The only thing I can assume is that the government does not want to hit these industries too heavily. But here is one place where the government could get the money for our needs.

The overall picture with regard to resources tax is this — and I draw this to the attention of the hon. members on the government side, and particularly to the hon. member for Riverdale because I do not know whether he thinks what is happening this year is in the “flea-bite” category or not — in the next year the total amount of revenue that this government is going to raise from our forests and mining industries is going to be \$42 million, of which the proposed plough back to service the industry is \$21 million; so that the net revenue for the people of the province of Ontario is going to be \$21 million out of a total wealth from these two industries of \$1,250 million.

In other words, what this government is proposing to do is to extract, from those industries of that net wealth, about the same amount as they are going to extract in the two-cent gasoline tax from passenger car drivers who are the average people across the province.

HON. MR. FROST: A large portion of tax comes from trucks.

MR. MacDONALD: True; but not a large enough proportion.

HON. MR. FROST: How much?

MR. MacDONALD: I do not know, but the hon. Prime Minister should go ahead and read the report which the highways select committee brought in. It should be a bigger proportion.

I want now to turn to another source of revenue which even the hon. member for Riverdale said was something that this government should take a look at, and that is our liquor interests. It is proposed from the brewery interests, in the next year, to raise \$5 million more in revenue.

This is the feeblest and weakest gesture in the whole budget, notwithstanding anything else I have said. The time has come when we have to take a look in this province at exactly what has been going on with regard to liquor

interests and the failure of the government to raise from it adequate revenue.

I have in my hand this reliable report from an ex-provincial Liberal Premier, a former national leader of the Progressive Conservatives, Mr. John Bracken, when he looked into the liquor industry in the province of Manitoba. The report is of interest to us for the simple reason that it gives comparative figures across the board in various provinces, and this is what we discover.

We discover this on a graph on page 302: if we calculate the revenue that is raised in terms of what percentage it is of the liquor sales dollar in the province, this is the position in the provinces across this nation. Let me just emphasize so that the hon. members will have grasped it. This is the percentage that the revenue represents of the sales dollar of liquor sold in the provinces. In Prince Edward Island 40 per cent. of the sales dollar comes back as revenue. In Nova Scotia and New Brunswick—

HON. MR. FROST: Is that provincial or provincial and federal?

MR. MacDONALD: I am not getting into the complexities and arguments the hon. Prime Minister may try to raise regarding the federal share, for I suggest that it has no relevancy to the argument I am going to make. I am talking of what proportion is in the provincial treasury. It was 40 per cent. in Prince Edward Island. Nova Scotia and New Brunswick, 36 per cent. Alberta, 30 per cent. of their sales dollar comes back in revenue. Saskatchewan and British Columbia, 28 per cent. Newfoundland, 26 per cent. of their sales dollar comes back in revenue. Manitoba, 23 per cent. Quebec, 22 per cent. of their sales dollar comes back in revenue. And in the province of Ontario, 16 per cent. of their sales dollar comes back in revenue.

HON. MR. FROST: I would point out to the hon. member that we have the lowest price to the consumer. In other words, the working man's beer is cheaper in Ontario than in any other province.

MR. MacDONALD: This government is raising the working man's beer right now. The fact of the matter is, with the increase, the price to the consumer is almost the same in the province of Ontario as in the province of Quebec.

MR. W. H. COLLINGS (Beaches): Mr. Speaker, I must dispute the figures of the hon. member for York South. We are well lower in the province of Ontario than in the province of Quebec or any other province in the Dominion of Canada.

MR. MacDONALD: About 5 or 10 cents a bottle or some picayune figure, but I draw to the attention of the hon. chairman of the liquor board, if the province of Ontario were raising as large a percentage of its revenue or sales dollar from liquor, or was raising as large a percentage as even the province of Quebec, we would have had in the year 1954, for which these figures are concerned, we would have had \$18 million more revenue.

MR. COLLINGS: Would the hon. member allow a question at this time? I take it from his remarks he is suggesting we raise our percentage mark-up to that of the province of Quebec on what is known as the working man's—

MR. MacDONALD: Do not drag this red herring in. Last year when I raised this, the hon. Provincial Treasurer was like a jack-in-the-box, bouncing up and down, saying "what you want to do is to raise the poor man's beer." All of my remarks are predicated on the discussion here that there is no raise to the consumer at all. Let us get that very straight.

MR. STEWART: Then how is the hon. member going to raise it if he does not?

MR. MacDONALD: If this government were raising no more of a percentage, or sales dollar, than the province of Quebec, we would have had \$18

million more in 1954, and knowing a little bit about Quebec politics, I have some knowledge of just how cozy the relationship is between the Duplessis regime and the liquor interests in that province. Therefore, I just wonder how cozy they are in this province.

MR. STEWART: I wish the hon. member would explain that. I would like to hear it.

MR. MacDONALD: I will explain it in a moment.

MR. MACAULAY: Tell us about it now.

MR. SPEAKER: Order.

MR. STEWART: What does he mean by cozy?

MR. MacDONALD: I will explain in a moment, from an official document, just how cozy it is. Suddenly the government has become very sensitive. On pages 278 and 279 of the Bracken report, we find this: in the province of Quebec the gallonage tax, that is before the recent increase was put on, in 1954 the gallonage tax on a half keg of beer was \$1.81. In the province of Ontario the gallonage tax was \$1.09.

MR. STEWART: Where does the cozy part come in, in Quebec?

MR. MacDONALD: The cozy part is that they raised 72 cents more out of the brewers in Quebec than they did in the province of Ontario. Therefore, I ask how much cozier it must be in Ontario when we have such a situation here.

MR. STEWART: How does he mean, cozy?

HON. MR. PORTER: He said they were cozy.

MR. MacDONALD: The hon. member either intentionally cannot grasp it

or he is not up to his normal alertness. All I am suggesting is that, even in the province of Quebec, where the relationship is cozy, they raise taxes of \$1.81, and in this province they raise only \$1.09.

MR. STEWART: But the hon. member has not told me yet what he means by cozy.

MR. MacDONALD: We will get to it.

MR. STEWART: Not today. The hon. member is taking the long way round.

MR. MacDONALD: I am so close to it the hon. member is not happy. Here is another comparison. In the province of Quebec the gallonage tax on a two-dozen carton of beer is 26.1 cents, and in the province of Ontario the equivalent take is 15.7 cents. Why? Why does this government not raise from the brewers, without raising the price to the consumers because there is no need to, at least an equal amount of revenue that is raised in the province of Quebec?

HON. MR. FROST: Compare the prices that are paid by the consumer.

MR. MacDONALD: The prices are very, very close to the same figure.

HON. MR. FROST: Does the hon. member know what they pay for a pint in Quebec?

MR. MacDONALD: I do not know but very close to the same figure.

AN HON. MEMBER: He is talking through his hat.

MR. STEWART: Where does the cozy part come in? Please tell me that.

MR. MacDONALD: The hon. member will find out where the cozy part is; he should not get too anxious. Last

fall the distilleries across this nation suddenly announced they were going to increase their price, and as soon as this announcement was made the western provinces protested. We had an echoing silence in the province of Ontario regarding this increase of distillery prices.

We not only had an echoing silence, but then, two months later, it was quietly announced, and put into effect, that prices were going to go up. They increased the price to meet the further demands of the distiller whose profits, if one wants to look at them, are already at a fantastic level, and there was not one objection made on the part of the liquor control board of this province, which has the powers to do something about the setting of prices, but the increase was just passed on to the consumer.

This government, which is so concerned with the plight of the consumer, in effect bowed very quietly to the dictates of the distilleries, which said they must have more revenue, and passed it all on to the consumer. Why? This brings us to the question of who fixes prices for liquor in this province.

MR. STEWART: Where is the cozy part?

MR. MacDONALD: I have it right here in this book.

MR. STEWART: How old is the book?

MR. MacDONALD: This book was published in 1955. *Restrictive Trade Practices Commission Report*, looking into the brewery industry across this nation. I want to draw two or three juicy little morsels in this report to the attention of the House.

MR. STEWART: Give us the cozy part.

MR. MacDONALD: It says on page 22, for example:

Distribution of beer subject to supervision by the liquor board.

This is an essential basic point we must bear in mind, "The distribution of beer is subject to the control of the liquor control board."

Mr. Hillmer, president and managing director of the company, testified that the company sells to both home consumer and licensee at a price fixed by the chief commissioner of the Ontario liquor control board.

HON. MR. FROST: The ceiling is fixed. They can sell under that.

MR. MacDONALD: I will get around to that little quibble in a moment.

In the course of my examination, as to the control exercised by the board over the prices charged by the company, Mr. Hillmer was questioned as to what took place when the company desired a change in price. A review of his replies shows the companies sought and obtained the approval of the board on about half of the occasions between 1928 and 1948 and upon all of the occasions since 1948.

Not once since 1948, which is about the time Mr. E. P. Taylor began to get control of practically all of the brewery interests in this province, not once has the brewers' retail stores, which is nothing but a puppet in his hands, demanded an increase in price that the liquor control board has not conceded it. In other words, it rubber-stamped every demand they made.

HON. L. M. FROST (Prime Minister): Oh, no, I would point out to the hon. member that matter was most carefully gone into, I think, in 1948 or 1951, I am not sure of the year, but I would say it was most carefully gone into.

MR. MacDONALD: It is in the book and I am coming to it. As a matter of fact, in this delightful little play the hon. Prime Minister becomes one of the principals.

HON. MR. FROST: Mr. Speaker, I would like to point out to the hon. member, in connection with the raising of liquor prices, I think it was with every justification that we raised the liquor prices last summer and still our liquor prices are the lowest in Canada. I would say to the hon. member it is a matter of calculated policy that we have endeavoured to keep down beer prices. In every phase of the beer business we have prices that are very much lower than any other province.

AN. HON. MEMBER: Tell that to Saskatchewan.

MR. MacDONALD: Let me quote from this authoritative report on page 27:

Mr. Taylor testified that the price in Ontario was fixed by the Brewers' Warehousing Company Limited with the approval of the liquor control board.

There we have it in the correct sequence. It is fixed by the Brewers' Warehousing Company Limited with the approval and rubber stamping of the liquor control board. Now, page 28.

MR. MACAULAY: This is communistic tripe.

MR. MacDONALD: In 1948, 1949 and 1950, and this is the episode the hon. Prime Minister was referring to, when the Brewers' Association unanimously requested an increase in the price of beer, it was approved by the liquor control board on September 16th, and a particularly interesting little episode developed.

The president of the Toronto Hotel Proprietors Association issued a statement that the Canadian brewers were behind the increase. They intimated a boycott would be imposed on their product and, apparently, at that point war was declared by our great and indefatigable warrior, Mr. E. P. Taylor. Canadian brewers blamed the competitor for spreading the rumour of this res-

possibility for the price increase, the company resigned its membership in the Ontario Brewers Association and proposed to announce a reduction in prices and to indulge in a price war — the sort of thing which normally is not done.

Up until then the hon. Prime Minister is correct; they had fixed prices at a certain level, and in the course of this battle, it was discovered to be unconstitutional and, therefore, the prices fixed by the liquor control board became the ceiling and they conceded to Mr. Taylor in the constitutional battle, that he could sell under if he wanted to; they did not want to indulge in this war.

Then on page 28, Mr. Taylor's attitude is expressed in a letter after an interview with the hon. Prime Minister of Ontario.

I told the Prime Minister that if the matter was not settled this week, our company would have to engage in a price war to regain our position and put our competitors either out of business or make them so groggy that they will behave.

After reading that, I picked up the paper the other day and I read that Mr. E. P. Taylor warns that beer prices are going up. I ask this question: Who is controlling beer prices in this province? Who is controlling the beer prices? We know where the power lies; the power lies in the liquor control board. They can control it. This government can implement prices by power control. But let me go ahead.

MR. STEWART: May I ask the hon. member a question before he goes on further? People are always ready to believe that men in public life do sometimes have an improper relationship with certain interests. The statement made by the hon. member was of a cozy relationship. That leaves the imputation there is something wrong, something smug. I have asked him several times and I would be happy if he would tell us what he means by the cozy relationship.

MR. MacDONALD: Yes, do not get so anxious.

MR. STEWART: We have been 20 minutes getting to it.

MR. MacDONALD: Meanwhile there has been a lot of relevant material for the people of this province to take a look at, and that is what the hon. member is so unhappy about.

MR. STEWART: I resent the imputation. I have nothing to be unhappy about.

MR. MacDONALD: Page 81. I am telling it now and it is out of an authoritative book and he does not like it. In July, 1934 — this is going a long way back but hon. members will see how close it is to our times. After the amendments to The Liquor Control Act, widening the scope of the market, had come into effect, there appeared for the industry a code of ethics drawn up by Mr. E. P. Taylor. This is lovely, this code of ethics by this great free enterpriser, Mr. E. P. Taylor. This is 1934 when he was not yet actually in control of the industry but, obviously, his influence on the industry was such that the great Mr. E. P. Taylor "dreamed up" a code of ethics which was accepted by the brewing industry. Here is item No. 1 in this code:

No brewer shall directly or indirectly make any concession to anyone, which would have the effect of reducing the price to the purchaser below the scale of prices set by Brewers' Warehousing Company Limited.

Then he goes on:

The code was essentially directed against what would appear to be unfair practices in the proper sense of the term, but it also seems that the intention was that prices, once set through Brewers' Warehousing Company Limited and approved by the liquor control board, were lived up to.

This is 1934, with a liquor control board even then, when it was under the

direction of the Liberals, and they apparently "played ball", because this is what happened: back at that time the chief commissioner of the Ontario liquor control board sent a telegram all across the province to the brewers and the telegram read:

ESTABLISHED PRICES OF KEG AND BOTTLED BEER TO AUTHORITY-HOLDERS MUST BE MAINTAINED. ANY VIOLATOR OF THESE INSTRUCTIONS WILL BE SEVERELY DEALT WITH.

HON. MR. FROST: When was this?

MR. MacDONALD: This is 1934. Then, the conclusion of this whole thing is this—and this is on pages 81 and 82 of this report, which I suggest as an alternative to reading bedtime stories or detective stories:

But it seems quite clear that the industry as such never lost its voice in establishing of prices, and that, in determining them, the liquor control board never acted on its own motion, but rather on requests formulated by the trade or at least after due consultation with the brewers. In effect, it was the brewers who decided what prices should be in force, and to this end, they acted collectively through their official selling agency, Brewers' Warehousing Company Limited.

The point I want to emphasize is this: that obviously the control of beer prices in this province rests with the liquor control board of Ontario. They have the powers in the Act, and when Mr. E. P. Taylor gets up and says, "If the taxes are going up, beer prices will go up," that need not be unless the liquor control board of Ontario continues to molly-coddle, and continues to bow in the face of this group of people as they have in the past. Anybody who reads this document—and I have picked out only the salient points—knows that in the province of Ontario, in fact, increasingly across this nation, the man who

dominated the brewing industry, and whose word "goes", is Mr. E. P. Taylor. What I want to point out is that even after the \$5 million which the hon. Provincial Treasurer is going to raise, the percentage of the sales dollar is not more than 20 cents in Ontario as compared with 23 cents in Quebec, and figures ranging up to as high as 40 cents in other provinces. This province is raising less from liquor interests than all other provinces, and half as much as some of the other provinces.

MR. W. H. COLLINGS (Beaches): Mr. Speaker, I wonder if the hon. member for York South would clarify what he means when he says they are going to raise from "liquor interests". In all the other provinces, the increase in revenue by percentage, as the hon. member pointed out, is the increase by mark-up: it is the increase in revenue from the public, not from the distillers.

MR. MacDONALD: Apparently the hon. member has not grasped what I think is a basically fair calculation that Mr. Bracken did in his report. What Mr. Bracken did in his report was to take the total sales dollar from liquor and beer—

MR. COLLINGS: Let us keep to the facts.

MR. MacDONALD: He took the amount sold in the province, and took the total amount coming in provincially, and calculated the percentage coming in provincially as a percentage of the sales dollar, and in Ontario it is 16 per cent. in 1954, as compared to 22 or 23 per cent. in Quebec, and as high as 40 per cent. in other provinces.

MR. COLLINGS: May I suggest to the hon. member that probably when the liquor control board is before the committee on commissions, I would be glad to explain to the committee the exact manner in which the revenues from the liquor control board are raised, and I

must repeat here, to contradict the statement of the hon. member, that revenues raised by all provinces, in reference to spirits—that is, whisky, rum and such—is raised on a mark-up. We buy it at a price and set our own mark-up percentage. That is where we raise our revenue on spirits.

There are 3 provinces in the Dominion that receive their revenue on beer by gallonage tax: they are, the province of Quebec, the province of Ontario and the province of Manitoba. Some also raise additional revenues on a mark-up.

If one wants higher beer prices, and higher whisky prices, to give the extra revenue, it will have to come out of the people.

HON. L. M. FROST (Prime Minister): Mr. Speaker, may I point out to the hon. member (Mr. MacDonald) that I can assure him this is a very complicated thing which I have gone over many, many times in the past, and nobody has cracked the whip at all, except ourselves, and may I suggest that the hon. member take that matter to the committee on commissions and there the matter can be discussed. His premises are almost completely wrong.

MR. MacDONALD: How are they wrong? I do not deny for one moment the procedures for raising revenue are very complicated, and that they are different in every province, but the Bracken Commission produced a common yardstick by which they could measure them, and this government cannot deny it is a valid yardstick.

If this government keeps its consumer prices at the level they are at now, and calculates the percentage it is raising, either by mark-up or by taxes, what percentage of that is coming back into the provincial revenue? The fact this government cannot escape from is that it was bringing out of every sales dollar in 1954, 16 cents, as compared with 23 cents in Quebec.

HON. MR. FROST: That is ridiculous. May I say, the great complaint we

have is the complaint that the hon. member brushed over so lightly. With the beer licence in this province, we have all the licencing and all the policing and everything else in connection with it, and our friends in Ottawa take about 90 per cent. of the profits, and I point out that I was down in Ottawa just recently with the hon. Provincial Treasurer discussing that with them—

MR. MacDONALD: This is a red herring.

HON. MR. FROST: I would say our province is, as usual, being discriminated against. We are getting the worst deal in Canada from a retail standpoint. We are taking that up with them in Ottawa, and I am hoping that Mr. Harris will rectify at least that matter. I point out to the hon. member that when he gets down to it, the only way to sizably increase his revenues, unless it is a readjustment as between the federal and provincial governments, is to raise prices to the consumer.

MR. MacDONALD: That simply is not the case.

HON. MR. GRIESINGER: How stupid can one get?

MR. MacDONALD: The hon. Prime Minister has risen now for the third time to make a completely extraneous point. He says the government in Ottawa is taking an undue proportion of it. I do not dispute that, but I draw to the hon. Prime Minister's attention that the government in Ottawa is raising the same percentage in Ontario as the other provinces.

MR. A. GROSSMAN (St. Andrew): Yes, but what about the differences in the cost of producing in the different provinces?

MR. MacDONALD: The consumer price does not have to be raised, but can be left exactly where it is, and either through mark-ups or taxes, this govern-

ment can extract more money from the profits of the distillers and the brewers, and it would have a larger percentage of revenue coming out of the sales dollar. That is a plain and simple statement which the hon. Prime Minister and the hon. member for St. Andrew cannot deny.

MR. COLLINGS: Mr. Speaker, would you allow me a question?

MR. MacDONALD: We can discuss this at the committee, and I would like to get finished. What is the answer to this? Because, once again, the government quite rightly will ask, how can it get more of the revenue?

I suggest there is an answer to it, and it is an answer which, strange as it may seem, this government proposed back in 1947. Introduced by Mr. Blackwell of that day was a bill to bring the Brewers' Retail Stores in the province of Ontario under public ownership, just as the liquor stores are. For some years nothing happened and then about 1951, at some stage in the debate, the hon. Prime Minister indicated that they had not done it because he discovered there was no money in it.

I suggest to the hon. Prime Minister there is money in it. If the hon. Prime Minister is willing to place the Brewers' Retail Stores as a retail outlet on the same basis as the liquor stores, and is willing to use the powers which he now has under the liquor control board, he can extract out of the brewer and distiller interests a larger percentage of their profits and thereby increase the revenue percentage of the sales dollar and make it available for the general means of the province.

MR. COLLINGS: Mr. Speaker, would the hon. member permit a question, because I think it is very important: that the Brewers' Warehousing Company Limited is a non-profit organization. It is an organization set up for the distribution of tankage beer and sales to licencees. It is proportioned over the

brewers, at a cost per case or per barrel. Is the hon. member suggesting that we can set a price as to what we are going to pay for the tankage beer?

MR. MacDONALD: That is right; that is precisely what I am saying. I can illustrate it: in the year 1944, when the CCF were elected in Saskatchewan, the government put their hospital plan into effect and they had to get some revenue.

HON. MR. PORTER: How many cents of the sales dollar do they get?

MR. MacDONALD: 28; about 12 per cent. more than we are getting in the province of Ontario.

HON. MR. PORTER: Yes, but the public is paying more for it.

MR. MacDONALD: This is all extraneous. I am dealing with the principle the hon. member for Beaches (Mr. Collings) raised here. What happened in 1944, through the liquor control board of the province of Saskatchewan which, I point out, handles beer as well as hard liquor, which is essentially the same set-up as it would be here if the Brewers' Retail Stores were brought under public ownership; what happened out there was that they said, in effect, to the brewers, "We are going to pay you less for your beer", and in so doing they reduced the brewery profits. They kept the price to the consumer at exactly the same level and widened the amount of revenue coming into the provincial treasury and raised a few million dollars for hospitalization.

The interesting thing is that this is precisely what Mr. John Bracken in his report suggested: he pointed out that in Manitoba the province had been paying the brewers too much for too long.

HON. MR. FROST: That was the objection in Manitoba, and some of the press out there, such as the *Manitoba Free Press*, felt that was a valid point, but may I point out that here in this

province it is entirely different. We made a very meticulous examination of the brewers' statements in 1948, 1951 and I think there was some other year, because I was engaged in it myself and can assure you that we went into that and went into it very, very carefully. I would say that the conditions mentioned in Manitoba and here are entirely different.

MR. MacDONALD: The fact is, in the province of Quebec they are doing more in raising revenue as a percentage of the sales dollar, thereby exploding the whole case of the government. The Bracken report suggested that they had been paying brewers too much for too long, and that the price of beer should be fixed on the public utility basis. In other words, the liquor control board in the province of Ontario, which has the powers to fix prices, should not just slavishly acquiesce to every demand of the brewers and Mr. E. P. Taylor that it should go up. On every occasion since 1948 when they have demanded it go up, it has gone up, and the liquor control boards says, "All right." Now, when Mr. E. P. Taylor says it is going to go up, is it? That is my question, because it has done so on every occasion since 1948.

MR. MACAULAY: Do wages go up?

MR. MALONEY: What is the alcoholic content of the beer in Saskatchewan?

MR. MacDONALD: This government could fix prices through the liquor control board, on a public utility basis. If one looks at the profits of these companies, he will see that they are making exorbitant profits. When the government does that kind of thing, then it would mean that we would cease to be mollycoddling these interests, and bowing to them in price demands.

MR. STEWART: Does the hon. member want the government to buy all the breweries?

MR. MacDONALD: No. In the Bracken report or the subsequent discussion of it in committees in the Manitoba Legislature, a very interesting revelation turned up.

The official counsel of the breweries of Manitoba, after these things had been pried into and it became so embarrassing the breweries decided they might as well come clean, the official counsel tabled a statement of contributions the breweries had made to political parties, and it was found they had made a contribution to the Liberals, the Conservatives and the Social Credit party but none to the CCF.

Now we are getting down to the cozy part of it. The E. P. Taylor interests not only dominate things here but also in Manitoba, and they are responsible for these political contributions, so I ask the hon. Prime Minister, how much is the Conservative party receiving in Ontario from the breweries?

HON. MR. FROST: Nothing.

MR. MacDONALD: Will the hon. Prime Minister open the books of the party and give us the evidence? Will he publish a statement of the income resources of the Conservative party?

MR. STEWART: Will the hon. member open his?

MR. MacDONALD: We have said we would many times.

MR. MALONEY: How much does the CCF get from the unions?

MR. SPEAKER: Order.

HON. MR. FROST: Mr. Speaker, when I took the leadership of this party I stated to all my followers and all my organization that I would accept not one cent from any outlet for the sale of beer or liquor or from any manufacturer or brewer.

MR. MacDONALD: The Bracken report and the records of Manitoba are

now official that they got the contributions, and the man who made the contributions out there is the man who dominates things here. The thing that interests me is that, now we get into this field of Mr. E. P. Taylor, instead of coming around and laying down dictates to the hon. Prime Minister here, he is now starting to place the blame on the Liberals at Ottawa—that they are hogging too much.

I am wondering whether the relationship between the provincial Tories, who are going to bolster the federal Tories in their vain efforts, is so cozy that even Mr. Taylor is going to join their side in browbeating the federal Liberals?

MR. WARDROPE: Where does the hon. member get some of his political contributions?

MR. MacDONALD: Mr. Speaker, the hon. Prime Minister can take refuge in that paper and does it all the time, but there is a very simple answer. I am not conceding the floor, Mr. Speaker.

HON. MR. FROST: I just want to point out that the reason I was looking at the paper—

MR. STEWART: What is a cozy thing in Quebec?

HON. MR. DUNBAR: Would the hon. member ever turn down a contribution?

MR. MacDONALD: Mr. Speaker, I have not conceded the floor.

HON. MR. FROST: Would the hon. member allow me to state why I was looking at the paper?

MR. MacDONALD: Fine, it is an irrelevancy like all the others, but the hon. Prime Minister can go ahead.

HON. MR. FROST: I was looking up the present prices of Canadian Breweries, and I find it has fallen about \$6 or \$7 a share.

MR. MacDONALD: All I can say is that I did not know that this portion of my speech had “gotten out” and made such an impact. I am just going to leave this issue which we have raised many times, but if the hon. Prime Minister rises and lines up his usual platitudes end-to-end on this question, he might as well stop right now. If he wants to prove, and prove conclusively to the public of this province, let him publish the sources of income for the Conservative party, and then all we of great suspicious minds will dispense with our suspicions.

MR. WARDROPE: Elections say the people believe the hon. Prime Minister.

MR. MacDONALD: I want to draw my remarks to a close. The gist of my whole case against this budget at the present time is that we have imposed upon this province an increasingly inequitable tax structure.

True, the province has raised more revenue, but as a result of this refusal to raise the revenue from where the revenue is, so that we can fully meet our needs, we have a great many of the services of this province going begging.

As was pointed out by the hon. member for Waterloo North, the percentage of the overall budget devoted to education has actually dropped from something like 19 per cent. or 20 per cent., to about 18 per cent., and with the increases in grants which the provincial government has given, we discover a couple of rather interesting things.

One, this increase in grants to education from \$81 million to about \$101 million, is \$20 million. In other words, this government is giving increased grants to education almost the equivalent figure of which it overspent its highway budget last year. The highway budget was \$184 million and it turned up at the end of the year having spent \$203 million. The amount it overspent on highways is the kind of figure it gives out with such a great flourish to

meet the basic needs of public and secondary education.

Even after having increased it, the total expenditures estimated this year for education in the province of Ontario at the municipal level are approximately \$250 million, and since this government is going to contribute \$101 million, it means, some 13 or 14 years after 1943, only 40 per cent. of the overall cost of education. It is still that far off the election promise of 1943.

We have no promise of increases in pensions. We have no suggestion, for example, of increases to bring up some of the older workmen's compensation, and some of the older teachers' pensions; we have no action by the government to meet this shocking gap in home construction at a time when we need homes, no action despite the government's unfulfilled low rental housing programme.

The hon. Provincial Treasurer refers to a many-sided programme.

I just want a brief moment to refer to the hon. member for Riverdale who is beginning to fret and fume in his usual fashion after smiling for a while. Some time ago he rose and attacked what was happening in the province of Saskatchewan. The thing that rather puzzles me is that normally he is a very intelligent fellow and I think normally rather careful, but at least once a year he makes a mistake of misquoting something that is clearly there to be read if he were not careless.

He did this last year when he quoted something of mine which was an editorial from the *Hamilton Spectator*, so it was a good Conservative newspaper criticizing the Conservatives instead of me.

He has done it once again, because when he referred to what happened in the province of Saskatchewan, claiming something like 19 per cent. of their budget was going into education, he then compared that with the 36 per cent. in Ontario. But the 36 per cent. represents in Ontario that proportion

of the overall cost that the province is contributing in grants, in other words two completely unrelated items.

What has happened in the province of Saskatchewan—and I cite this as an example of a real many-sided programme—is that this year the CCF government increased its grants to secondary and public school education by $33\frac{1}{3}$ per cent., thereby keeping pace with what this government is doing, approximately 40 per cent. of the overall cost. But, theirs is a real many-sided programme.

MR. MACAULAY: They are paying only 26 per cent. of the cost of education in Saskatchewan and they promised to pay 100 per cent.

MR. MacDONALD: They are now paying 40 per cent. of the overall cost, as this government is doing at the present time. But along with such education grants in the province of Saskatchewan, may I repeat once more, there is a hospital plan that was put into effect by themselves on the basis of their budget—which this government refuses to do despite the fact that the hon. Prime Minister rises and says, "We mean business." He does not mean business. He means business with strings attached. He means business when the Liberals have quit playing politics and come along with us.

MR. COLLINGS: Why does the hon. member not go out and try it some time?

MR. MacDONALD: At least the government in Saskatchewan had the intestinal fortitude to do it 11 years ago on their own. Furthermore, in the province of Saskatchewan, in contrast to this government's increase in percentage of direct grants to the municipalities on welfare from 50 to 60 per cent., the CCF government has paid 75 per cent. for quite some years in the province of Saskatchewan.

Let the hon. Provincial Treasurer stop shaking his head, because there is another little point I want to tidy up.

When the hon. member for Bruce was speaking a little while ago about supplements to old age pensions, the hon. Provincial Treasurer interjected with the claim that in the western provinces the municipalities had to share. I would just like to bring the hon. Provincial Treasurer up to date.

In the province of Saskatchewan the municipalities do not have to share in the supplement to old age pensions. The fact of the matter is that, in the province of Saskatchewan, over \$1 million is being paid in supplements to old age pensions. Over \$1 million is being paid to pensioners by the province itself, with no burden being placed on the municipalities, or no initiative being left at the municipal level.

If this province, with 5 or 6 times the budget, were doing the same thing they are doing in Saskatchewan, the hon. Minister of Public Welfare (Mr. Cecile) would be distributing supplements to old age pensions of about \$5 million instead of the present \$500,000.

There is the sort of many-sided kind of programme that this government could have, because we have the resources in this province. We have it if the government is willing to go out and raise it so we can meet these needs. The trouble with this government is it is so weary with well-doing that it cannot do any better.

For just one brief moment, may I refer to the amendment of the Liberal party to this budget. There is every validity for criticizing this government for raising its budget inequitably: there is every validity for criticizing it for unbalanced expenditure of its money, for example, as between education and highways.

But, when the Liberal party indulges in the kind of verbal quibble, arguing the absolute absurdity that this province does not need more revenue, argues on one hand that this government should not raise money as Quebec does, because it is regressive, but argues on the other hand that it should not do it through corporation or income taxes or these more progressive kind of taxes—

MR. OLIVER: All the hon. member has to do is vote against it.

MR. MacDONALD: I am going to vote against it, and that is the very point I want to make clear, because the Liberals are talking out of both sides of their mouths. They are saying that we must meet more of these needs and yet are theoretically refusing to raise the revenue to do it. Therefore, for the Liberals' guidance, and for their peace of mind, let me assure them at this point rather than later that we cannot see our way clear to vote for the Liberal amendment.

MR. OLIVER: We are quite happy about that.

MR. COLLINGS: Mr. Speaker, I move the adjournment of the debate.

Hon. L. M. Frost (Prime Minister) moves that the Speaker do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to.

House in committee of supply; Mr. Stewart in the chair.

ESTIMATES, OFFICE OF THE HON. PRIME MINISTER

Votes 1,401 and 1,402 agreed to.

Hon. Mr. Frost moves that the committee do now rise and report certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. STEWART: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions, moves the adoption of the report, and begs leave to sit again.

Motion agreed to; report adopted.

Hon. Mr. Frost moves that Mr. Speaker do now leave the chair and the House resolve itself into committee of the whole.

Motion agreed to.

House in committee; Mr. Stewart in the chair.

ROYAL TRUST COMPANY

House in committee on Bill No. 11, An Act respecting the Royal Trust Company.

Sections 1 to 9 inclusive agreed to.

Preamble agreed to.

Bill No. 11 reported.

TOWNSHIP OF BRANTFORD

House in committee on Bill No. 12, An Act respecting the township of Brantford.

Sections 1 to 4 inclusive agreed to.

Preamble agreed to.

Bill No. 12 reported.

CITY OF TORONTO

House in committee on Bill No. 21, An Act respecting the city of Toronto.

Sections 1 to 5 inclusive agreed to.

Preamble agreed to.

Bill No. 21 reported.

TOWNSHIP OF ETOBICOKE

House in committee on Bill No. 26, An Act respecting the township of Etobicoke.

Sections 1 to 4 inclusive agreed to.

Preamble agreed to.

Bill No. 26 reported.

TOWNSHIP OF HOWE ISLAND

House in committee on Bill No. 28, An Act respecting the township of Howe Island.

Sections 1 to 4 inclusive agreed to.

Preamble agreed to.

Bill No. 28 reported.

CANADIAN NATIONAL EXHIBITION ASSOCIATION

House in committee on Bill No. 30, An Act respecting the Canadian National Exhibition Association.

Sections 1 to 3 inclusive agreed to.

Preamble agreed to.

Bill No. 30 reported.

TOWNSHIP OF SCARBOROUGH

House in committee on Bill No. 25, An Act respecting the township of Scarborough.

MR. OLIVER: Could that one be held over?

HON. MR. FROST: Yes, if the hon. Leader of the Opposition wants that.

TOWNSHIP OF NORTH YORK

House in committee on Bill No. 34, An Act respecting the township of North York.

Sections 1 to 4 inclusive agreed to.

Preamble agreed to.

Bill No. 34 reported.

MUNICIPALITY OF NEEBING

House in committee on Bill No. 32, An Act respecting the municipality of Neebing.

Sections 1 to 4 inclusive agreed to.

Preamble agreed to.

Bill No. 32 reported.

TOWNSHIP OF GRANTHAM

House in committee on Bill No. 33, An Act respecting the township of Grantham.

Sections 1 to 5 inclusive agreed to.

Schedule A agreed to.

Schedule B agreed to.

Schedule "A" agreed to.

Schedule "B" agreed to.

Preamble agreed to.

Bill No. 33 reported.

SACRED HEART COLLEGE OF SUDBURY

House in committee on Bill No. 35,
An Act respecting Sacred Heart College
of Sudbury.

Sections 1 to 3 inclusive agreed to.

Preamble agreed to.

Bill No. 35 reported.

BOARD OF EDUCATION FOR THE CITY OF WINDSOR

House in committee on Bill No. 19,
An Act respecting the board of educa-
tion for the city of Windsor.

Sections 1 to 4 inclusive agreed to.

Schedule agreed to.

Preamble agreed to.

Bill No. 19 reported.

HON. MR. FROST: Mr. Chairman,
I move that the committee do now rise
and report certain bills without amend-
ments.

The House resumed; Mr. Speaker
in the chair.

MR. STEWART: Mr. Speaker, the
committee of the whole House reports
certain bills without amendments and
asks leave to sit again.

HON. MR. FROST: In moving the
adjournment of the House, may I say
that tomorrow I plan to go ahead with
the estimates of the hon. Attorney-
General. That may not be possible due
to the fact that he may be absent, and,
if not, the hon. Provincial Secretary's
estimates. It will be either one or other
of those estimates tomorrow.

Following that, or during the course
of the day, generally, the orders of the
House in committee, with second read-
ings.

If there are any bills which are con-
troversial, or which hon. members wish
left over, I would be very glad to hold
them over, but would like to clean up
the order paper somewhat; and after
that the Throne debate.

Hon. Mr. Frost moves the adjourn-
ment of the House.

Motion agreed to.

The House adjourned at 6.00 of the
clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Tuesday, March 5, 1957

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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

TUESDAY, MARCH 5, 1957

3 O'CLOCK P.M.

And the House having met,

Prayers.

Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. J. A. MALONEY: Mr. Speaker, I beg leave to present the sixth and final report of the standing committee on private bills and move its adoption.

CLERK OF THE HOUSE: Mr. Maloney presents the sixth and final report of the standing committee on private bills, as follows:

Your committee begs to report the following bills without amendment:

Bill No. 9, An Act respecting the township of Crowland.

Bill No. 27, An Act respecting the city of Hamilton.

Bill No. 31, An Act respecting the city of Windsor.

Bill No. 38, An Act respecting the town of Fort Frances.

Your committee begs to report the following bills with certain amendments:

Bill No. 4, An Act respecting the Erin Fifth Line Union Church in the township of Erin.

Bill No. 7, An Act respecting The United Church of Canada.

Bill No. 16, An Act respecting the Hamilton Health Association.

Bill No. 23, An Act respecting the city of London.

Bill No. 29, An Act respecting the city of St. Thomas.

Your committee would recommend that the fees, less the penalties and the actual cost of printing, be remitted on Bill No. 4, An Act respecting the Erin Fifth Line Union Church in the township of Erin; on Bill No. 7, An Act respecting The United Church of Canada; and on Bill No. 16, An Act respecting the Hamilton Health Association.

Motion agreed to.

MR. SPEAKER: Motions.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following: 51st Annual Report of the Ontario Municipal Board for the year ended December 31, 1956.

MR. SPEAKER: Introduction of bills.

THE FARM PRODUCTS MARKETING ACT

Hon. W. A. Goodfellow moves first reading of bill intituled, "An Act to amend The Farm Products Marketing Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, in moving this amendment to The Farm Products Marketing Act, perhaps I should make a few explanations. It was not thought advisable to present to this House an entirely new bill because, as the House will appreciate, we had referred our existing legislation to the Supreme Court of Canada; so in these amendments we have inserted those principles which it is felt necessary in order to make our Ontario farm marketing legislation valid in its operation.

In every year since the 1951 revision of the statutes, The Farm Products Marketing Act has been amended except in 1952. It was apparent, during the hearing on the validity of the Act before the Supreme Court of Canada, that the justices were confused over the various authorities provided in the Act and the difficulty of locating the main provisions scattered through the many explanatory sections.

Consequently the chief change this year is a rearrangement of the present sections. The new principles involved in the amending Act are relatively few and are mainly as follows:

(1) A provision under section 13 (1) dealing with onus of proof in an action or a prosecution in order to overcome defects pointed out in the recent judgment of the Supreme Court of Canada.

(2) A provision under section 13 (2) for joint prosecution where it might be alleged that the regulated product is marketed inter-provincially or for export, also a matter considered necessary as a result of the judgment of the Supreme Court of Canada.

As no doubt most hon. members of the House are aware, in the judgment of the Supreme Court of Canada, they felt that our Farm Marketing Act was valid, insofar as the operation of schemes and agencies were concerned, for that part of the product which was consumed in the province of Ontario, but not for that part of the product which might be sold outside of the province or exported.

Therefore, it was thought necessary by the law officers of the Crown that the federal government should amend The Agricultural Products Marketing Act of Canada to make it complementary to our Act so that in a prosecution it would apply to the whole product, not only to the product consumed in the province of Ontario but that part of it which might be sold outside the province of Ontario.

In that respect we have already, through the hon. Attorney-General (Mr. Roberts), made representations to the federal government requesting on the part of the province of Ontario that they might consider making the necessary adjustments in their Agricultural Products Marketing Act.

In answer to a question, the Rt. hon. Mr. St. Laurent, Prime Minister of Canada, indicated in the House of Commons some time ago that they would be prepared to consider these amendments to their Act when representations were made to the province which instituted the inquiry before the Supreme Court of Canada.

There is another new provision in section 9 for producers of a farm product not under a marketing scheme to raise money for market research, promotion and advertising of the farm product, and for the expenses of their association.

This is in connection with, for instance, the beef breeders in the province who may have a request that they be allowed to institute a levy to carry on promotional work for beef in the province of Ontario because at this time they do not wish to go into a scheme to negotiate prices or what have you.

There is an amendment to the licensing provision so that any person who meets the requirements of experience, financial responsibility and proper facilities may obtain a licence in the first instance. That is bringing it into line with a new section in The Milk Industry Act, which will be introduced in a few days, so the licence will be comparable to that under the milk industry which will be introduced later.

There is an amendment to widen the corporate powers which may be given to a producer marketing board to include all those of a co-operative corporation under part V of The Corporation Act, 1953. In other words, we are giving to the co-operatives the same powers which any other company would have under The Corporations Act.

There is an amendment to give producer marketing boards additional powers to inspect the records and premises of persons engaged in the producing and marketing of the regulated product. Such authority is limited to the regulated product, and does not include the inspection of records and premises with respect to any finished product processed or manufactured from the regulated product. That means, in effect, that the farmer will control his product through a scheme or agency until such time as it is sold to the processor.

We do not feel at this time that any commodity group should be given the power to go beyond the product which he has sold and to include the processed product which has been sold to the processor.

As a result of the foregoing, the amending bill is somewhat lengthy in nature but, apart from the 6 new principles mentioned above, the amendments are substantially due to rearranging more naturally the various sections and to a general revision of wording.

MR. SPEAKER: Before the orders of the day, I would like to welcome a group of students from Welland High School and Vocational School, Welland; and a second group from the St. Clair Junior High School, city of Toronto.

MR. W. H. COLLINGS (Beaches): Mr. Speaker, before the orders of the day, I would like to correct an impression that might be taken by certain remarks made in this House by the hon. member for York South (Mr. MacDonald) as quoted in a news item

of today's Toronto *Daily Star*. He is quoted as saying:

Ontario takes a far smaller percentage of each liquor sales dollar than any other province.

I have had an opportunity to make only one reference to compare prices in the province of Ontario and that was with the prices in the province of Saskatchewan. In the province of Saskatchewan, the brewer receives from the Saskatchewan liquor board \$3.68 for a case of 24 pints. On top of that, the Saskatchewan liquor board adds \$1.51 profit, making \$5.19. In addition to that, the consumer pays a 3 per cent. hospital tax, making the total consumer price for a case of 24 pints, \$5.35. In Ontario —

MR. D. C. MacDONALD (York South): On a point of order, Mr. Speaker, the hon. member is not dealing with the point he raised. He is now making a speech with reference to Saskatchewan. He is not at all talking to the point that Ontario is raising the smallest percentage dollar revenue.

MR. COLLINGS: In Ontario the brewer receives from the Ontario liquor board \$3.44.3 cents for the same case of 24 pints. We have a gallonage tax of 15.7 cents. Then, in addition to that, the liquor control board adds 40 cents, making a total consumer retail price in the province of Ontario of \$4.00; a difference in the retail price of \$1.35.

If the hon. member thinks we are "cozying" to the brewers in Ontario, then is not Saskatchewan just a little cozier?

MR. MacDONALD: The hon. member has evaded the whole point. He has made a speech on a point that was different from what he raised.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

ESTIMATES,
OFFICE OF THE ATTORNEY-
GENERAL

HON. A. K. ROBERTS (Attorney-General): Mr. Chairman, on vote 201, I was just following the practice of last year under this vote, and I would like the opportunity of making some remarks of the particular heading or item.

Under vote 201, I might just say that the Attorney-General is responsible for the administration of the department, and is assisted by the director of prosecutions, dealing with criminal matters, and the senior solicitors and counsel who deal with civil matters involving an action.

In relation to the main office—this vote 201—by comparison with last year I think it will be fairly apparent there is no great change, other than normal growth. So I will not say anything more about that. That is, unless some hon. member would like to ask a question.

MR. R. M. WHICHER (Bruce): I noticed last year we had an item of cost-of-living bonus, \$365,000.

HON. MR. ROBERTS: This year it is all absorbed in salaries, and no longer appears separately.

MR. WHICHER: Would it be scattered throughout the whole department?

HON. MR. ROBERTS: Yes.

MR. F. R. OLIVER (Leader of the Opposition): This payment to Niagara Falls; is that a constant \$25,000, year by year?

HON. MR. ROBERTS: Mr. Chairman, we have a contract with Niagara Falls which is renewable yearly.

MR. OLIVER: Is it always \$25,000 a year?

HON. MR. ROBERTS: It is a matter of policing.

MR. OLIVER: I know what it is, but is it \$25,000 each year? That is what I want to find out.

HON. MR. ROBERTS: Not every year. The last two or three years it has been \$25,000.

MR. OLIVER: If it goes up and down, what causes it?

HON. MR. ROBERTS: Who said it goes up and down? It started some years ago at \$10,000, and increased traffic and services have resulted in an increase in each year's contract.

MR. OLIVER: When was it raised from \$10,000 to \$20,000?

HON. MR. ROBERTS: I am advised 3 years ago it was \$17,500, and then it moved from that figure up to \$20,000, which is related to, chiefly, increase in salaries of police officers.

MR. T. D. THOMAS (Oshawa): How are these figures arrived at? Are bills sent in from the city of Niagara Falls? What is the basis of payment?

HON. MR. ROBERTS: Each year a contract is arrived at for a fixed figure for that year, and in arriving at that fixed figure, it is dependent on the number of services that are to be rendered. I would be very glad to get a copy of the contract with Niagara Falls if any of the hon. members would like to see it.

MR. T. D. THOMAS: Would the hon. Minister mind explaining what it is for?

HON. MR. ROBERTS: For policing the Rainbow Bridge area.

MR. T. D. THOMAS: We have other bridges.

HON. MR. ROBERTS: But not as beautiful or as important as that one.

MR. OLIVER: On that particular point, I am unable to find, perhaps because I have not looked closely enough, that particular vote in last year's estimates. At any rate, it is not in the same place.

HON. MR. ROBERTS: Perhaps the reason for this enquiry may be due to the fact this item was in the police department's estimates in previous years, but it was felt that was not the proper place for it, because it is a contract made directly with Niagara Falls police and has nothing to do with the Ontario provincial police, and therefore it was moved under this heading where it was thought to be more appropriate.

MR. A. REAUME (Essex North): We also have a bridge in Windsor, and a tunnel through which the people are going back and forth all day and far into the night. I suppose we have as many people cross our bridge as at the Falls, and yet we have to place our own police officers there.

I would think, if it is a habit to make grants in other places, there should be some thought to this problem of making them there.

HON. MR. ROBERTS: Suppose we cross our bridges when we reach them. As far as I know, the city of Windsor has never made a case for themselves.

MR. D. C. MacDONALD (York South): A moment ago, the hon. Attorney-General said this was a beautiful bridge. Is that the yardstick by which the grant is made?

HON. MR. ROBERTS: I think it is apparent a certain amount of policing has to be done and somebody has to provide the services. The arrangement with

Niagara Falls results because of their proximity and ability to provide the service which, otherwise, might be an obligation on the province.

MR. OLIVER: Would it be said it is the view of the hon. Attorney-General that this is the only bridge of this character, the only one which needs policing, and the only one in the province which should have financial assistance in paying police costs? What is the answer to that one?

HON. L. M. FROST (Prime Minister): Mr. Chairman, may I point out to the hon. Leader of the Opposition he should be very familiar with this, because most of these arrangements were made in the days of the Hepburn government and have been carried out since that time. He himself helped to negotiate them and he ought to know.

There are special circumstances that require special consideration in the case of Niagara Falls. There are the beautiful parks 35 miles along the waterfront, and the famous Rainbow Bridge.

All this negotiating was done in the days of the Hepburn government, and they could not figure out whose name was to appear on the bill. This was all part of the deal at that time. As the hon. Leader of the Opposition well knows, those were the arrangements, made back in those days, and have been carried on to this day. One of the reasons is the fact that there are a large number of Hydro employees and we, therefore, felt there should be some compensation and that is how the situation arose.

Vote 201 agreed to.

On vote 202:

HON. MR. ROBERTS: I might say with regard to vote 202, the office of legislative counsel and registrar of regulations under Mr. L. R. MacTavish, Q.C., and under the senior solicitor are combined.

Vote 202 agreed to.

On vote 203:

MR. T. D. THOMAS: I think that is an entirely new item in the department. I could not find it in last year's estimates. I wonder if the Attorney-General would like to comment on the need for that expenditure and how the money is expended.

HON. MR. ROBERTS: I addressed the House at some length last Wednesday, and I believe the hon. member was in the House. I think he will agree with me that there is a very grave problem on our highways which has to be met by all of us in a position to contribute towards the solving of that problem.

From that period of 15 months or more, there has been built up towards that end a small staff; 3 permanent and some casual. The department has taken steps in the furtherance of local safety councils, and developed a new council to bring this problem to public attention through the media of newspapers, from time to time, in its appropriate manner. This includes writing to, and communicating with, a great number of people in the hopes that the various associations will continue promoting that sort of effort. Local areas are supplied with information which has been obtained from this department, which might prove helpful. That is the general position.

MR. T. D. THOMAS: The item of \$50,000 for the furtherance of local safety councils; can we take it the government assists those local councils financially and what would be the basis for the allotment?

HON. MR. ROBERTS: It was hoped we might reach, and perhaps this is too hopeful, 100 safety councils from the present 32. It was felt on that basis we could do considerable work both with respect to helping in the organizing, and having obtained the organizing, assisting by supplying these councils with information.

There are a great many sources for that sort of information if one knows where to secure it, and what to send to

the particular council at the particular time. We felt that a vote of that sort would do considerable towards getting the local councils going, and assisting in their work as a distributing centre of information.

MR. A. WREN (Kenora): I have been interested in the hon. Attorney-General's highway safety programme, and I think the efforts in this direction will be accelerated in time to come. There is one point I would respectfully draw to the attention of the hon. Attorney-General, and it is a matter I have raised in this House on other occasions, but I would like to mention it again because I think it bears repetition.

That is, the concern I have for the heavy transport trucks going across the province.

I am speaking particularly of trans-provincial traffic whereby a truck will leave, for example, the city of Montreal, and go all the way to points west of Edmonton and then on to British Columbia with one driver. I think this is a very bad and very dangerous practice, where these drivers are oftentimes driving 14, 16 and 18 hours a day. Naturally, they want to reach their destination and are paid on some sort of mileage basis.

An examination of most of the vehicles, especially the larger ones, will show on the inside of those vehicles provision for sleeping accommodation for a second driver. But the instances where a second driver is carried for the relief of the main driver are very rare, and those trucks with sleepy drivers, travelling across this province, constitute one of the gravest and most serious traffic hazards we have.

I would suggest the hon. Attorney-General instruct his provincial police officers to check these vehicles at regular intervals, because the drivers in those trucks, if they have been on the highway for a good many hours, as they often are, in my opinion are dangerous drivers. Although, when rested and in full possession of their faculties, they may be excellent, competent and skilful drivers. I suggest they are like the rest

of us when they are tired, and should not be behind the wheels of vehicles of this size and tonnage.

Another thing I have mentioned in regard to highway safety is the size and weight of these transport vehicles. It seems to me there does not seem to be any limit as to how large the trailers can be, and actually many of them are larger than railway boxcars. I shall repeat what I have said many times before with reference to highway safety and condition of the highways: it might be better if we took the boxcars off the highway and put them back on the railways where they properly belong.

HON. MR. ROBERTS: I thank the hon. member for suggesting this, and I will be glad to give it all the consideration I can. I would say there are quite a number of trucking associations which have now employed full time public relations officers. We had one of our own provincial police officers taken over to do public relations work in connection with their new drivers, to school them in an endeavour to get the best possible results. There is more of that sort of thing being done internally amongst, even, the operators. I do think the suggestion is well worthy of consideration.

MR. MacDONALD: Mr. Chairman, would the hon. Minister or the hon. Prime Minister state whether this is the kind of item which is likely to be removed from The Department of the Attorney-General and put under the new Department of Transport?

HON. MR. ROBERTS: When that department is set up, I can assure the hon. member there will be the greatest co-operation. If any part of this should go there, I will make all arrangements for that.

MR. OLIVER: Mr. Chairman, I would like to ask the hon. Attorney-General this question, in reference to item No. 4 of 203, concerning newspaper advertising: I am quite aware of the

need for advertising in a campaign of this character, but why is it restricted to the newspapers? I would think television and radio would be equally good media for getting the message across.

HON. MR. ROBERTS: I think it should be widened, as far as the wording is concerned. I do not think it is intended to be confined to newspaper advertising, but is for whatever useful media can be used. I am able to say that a great deal of this sort of work is done voluntarily by those very media in an effort to solve this problem, but there are definitely occasions when advertising can serve a very useful purpose.

MR. P. MANLEY (Stormont): Mr. Chairman, may I say I feel the figure of \$30,000 will not go very far at the price we have to pay for advertising today on radio, television and in the newspapers. If we are going to have the campaign we would like to have, then in my estimation \$30,000 will not go anywhere.

HON. MR. ROBERTS: Of course, this is only in relation to enforcement matters and that sort. There will be, no doubt, other departments with estimates relating to advertising. In the past, The Department of Highways has had a very considerable programme of advertising.

MR. OLIVER: Mr. Chairman, on that, the one complaint I have heard in respect of the traffic safety units here and there is that they have been ill-equipped to carry out the work they were supposed to do. I think that is a valid criticism, because I have heard it from a number of different people who are acquainted with the situation.

Is that the case? Are these units being fully equipped to discharge their responsibility in making the people aware and conscious of traffic safety? What is the position in regard to these various units?

HON. MR. ROBERTS: I am not quite clear on what the hon. Leader of the Opposition has in mind.

MR. OLIVER: Clinics—is that what you call them?

HON. MR. ROBERTS: Well, there are traffic court clinics which are being set up, and if it is in reference to that, I certainly hope the equipment there will be quite sufficient. The police equipment in their own cars would have to do with this in some instances, and I have never heard that we are lacking there.

Where we are setting up anything new, I am trying to make sure everything is properly equipped and that we have everything necessary to do the job. If the hon. Leader of the Opposition has anything specific in mind, I would be glad to look into it, and remedy it, if it is lacking.

MR. T. D. THOMAS: Mr. Chairman, to get back to the question raised by the hon. member for Kenora, respecting the boxcars in the highways, I agree 100 per cent. The other week there was an accident in Hamilton where two large transports were involved and the two drivers of the trucks were killed, and the report in the paper was that the trucks weighed 35 tons.

I wonder what the hon. Minister's opinion is respecting the supervision? Does the hon. Minister think it is ample? I certainly think it is time we stepped up supervision on the highways, because it is a great danger to the travelling public. I agree with the hon. member for Kenora; it is about time they were ordered off the highways.

HON. MR. ROBERTS: I would say this new department which the hon. Prime Minister announced a few days ago would certainly be a department which would have to deal with that sort of thing, and which would have the full authority to do what is considered proper.

MR. T. D. THOMAS: It must be anticipation.

Vote 203 agreed to.

On vote 204:

HON. MR. ROBERTS: This item, Mr. Chairman, refers to the Supreme Court of Ontario. There are at the present time 29 Supreme Court judges: 19 trial judges and 10 in the court of appeal. The registrar's office is the central administrative branch of the Supreme Court of Ontario and all Supreme Court proceedings in the county of York are instituted there, court processes issued and permanent custody kept of all documents and records.

MR. WHICHER: Mr. Chairman, I would like to ask the hon. Attorney-General a question under salaries: judges' staff, \$57,500. Last year the figure was \$36,000, approximately. Also under salaries, the master, it is \$82,000, and only \$58,000 was spent last year. Is there some reason for that? It seems to be a very high percentage of increase.

HON. MR. ROBERTS: There has been an increase in the actual personnel on the staff. There has been a shift, of course, of the cost-of-living bonus into the salaries, which accounts all the way through for a change in figures. I do not think there has been anything of a major nature in the way of increases.

MR. WHICHER: That is a major increase—\$36,000 to \$57,500.

HON. MR. ROBERTS: My advisers tell me the total increase is \$9,000.

MR. WHICHER: That is the total increase in what the hon. Attorney-General is asking for, but he spent only \$36,000 last year.

HON. MR. ROBERTS: I do not know where my hon. friend is getting his figures, but I am told there is a difference of \$9,000, and not the figure he mentioned.

MR. T. D. THOMAS: Mr. Chairman, does it mean the estimates of the

hon. Minister last year was for \$36,000 but that he spent over that?

HON. MR. ROBERTS: The hon. member is referring to item 3 of 204, is he not—or is it item 2?

MR. WHICHER: Well, that is another one: 2 and 3, yes.

HON. MR. ROBERTS: The figure of the previous year in item 2 was \$48,500, and is now \$57,500.

MR. WHICHER: But the hon. Attorney-General spent, according to the public accounts, only \$36,081.

HON. MR. ROBERTS: The hon. member must be a little confused, because the public accounts for the current year are not out yet. He must be looking at something a year old, and perhaps that is the reason for the confusion in figures. The same applies to item 3; there is a difference of \$9,000.

Vote 204 agreed to.

On vote 205:

MR. WHICHER: Mr. Chairman, I hope my figures are more reliable this time, but in item 3 of vote 205, \$10,000 is being asked, and, according to my figures, \$1,371 was spent last year.

HON. MR. ROBERTS: There has been quite a problem with regard to Supreme Court reporters — in fact, reporters generally. They have been scarce, difficult to obtain and to hold, and after a number of conferences it was felt that one way of getting a better balance for them in their remuneration would be for the government to pay for the cost of the stationery and supplies, and that accounts for the major portion of that difference.

Vote 205 agreed to.

On vote 206:

MR. G. INNES (Oxford): Mr. Chairman, on vote 206 has any con-

sideration been given to the Torran system which is now an Act in the province of Manitoba, whereby a deed does not have to be searched back so many years as is the case in this province? Where a recent deed has been searched, it would seem to me it would cut down many of the legal fees—and I do not want to get in wrong with any of the lawyers in the House—but it does seem to me it is a lot of money unnecessarily wasted, shall I say?

HON. MR. ROBERTS: Mr. Chairman, may I say this to the hon. member for Oxford:

This, of course, concerns land titles, which has to do with the very system he is referring to, chiefly in northern Ontario, but is available for use in other parts, and is gradually being extended. I think something like 22 per cent. of the land in the metropolitan area has been brought under, or is being brought under, this system.

There is a method of bringing it under, and we have a very energetic master of titles and director of titles who has recently issued a pamphlet which I think hon. members have seen, and which has been distributed quite considerably with a view to bringing to the attention of the local responsible authorities the advantages and opportunities afforded by this system.

Before this House prorogues, there may be some further developments in that connection in regard to measures towards better or more efficient methods of searching, and less cumbersome requirements than exist at the present time.

MR. INNES: Do I take it that the hon. Minister's personal opinion is that he would be in favour of us proceeding with this Torran system in Ontario?

HON. MR. ROBERTS: I practiced in northern Ontario for a long time, and I am familiar with the system, and it is far superior to the old system.

Vote 206 agreed to.

On vote 207:

HON. MR. ROBERTS: Mr. Chairman, at this point I would like to say something about the costs of administration of justice generally in the province, and the effect of Bill No. 103 schedule, part I, relating to the grants in aid of these costs.

First of all, let me point out that the costs of administration of justice, to which I am referring, are exclusive of those relating to magistrates courts, division courts and family and juvenile courts.

Magistrates courts, generally speaking, are self-supporting. In the case of 5 cities, namely, Windsor, London, Hamilton, Toronto and Ottawa, salaries of the magistrates which are paid by the province in the first instance are refunded to the province by these cities, and all the fines which are under any statute directed to be paid to the municipality are paid in whole to those cities.

In the other parts of the province, the salaries are paid by the province and after all the expenses of the office are paid, then the fines are divided, 60 per cent. to the municipality concerned and 40 per cent. to the province.

Division courts which are on a fee basis are, generally speaking, self-supporting. If there are any surplus fees from them, they go to the province under the terms of The Public Officers Fees Act.

In the case of family and juvenile courts, agreements are made between the county and the constituent municipalities, but the costs are borne at the local level with this exception, namely that the province pays the salaries of the adult probation officers and their staffs. Actually, as will be seen in these estimates under probation, approximately \$750,000 is provided.

Having given that explanation, the administration of justice costs, beyond those exceptions, are presently shared between the province, counties, cities and separated towns. The present prac-

tice is for the county to pay in the first instance, recovering from cities and separated towns and a portion from the province.

In Essex, for example, in 1955 the county was responsible for costs of approximately \$211,000. It recovered from the province \$52,000 and from the cities and separated towns \$132,000 and had to levy from the rest of the county some \$26,000. This is typical of the distribution in the counties and the participation of the province which contribution has ranged from 20 to 25 per cent. of the total costs. Jail costs are included.

To use the same example of Essex county, with Bill No. 103 becoming law in due course and a \$1 per capita grant being available, the \$52,000 payment by the province will go out the window, and in place of it will come the population estimate as I have it here of 246,602, that number of dollars for the county of Essex in the current calendar year.

Procedure which will be followed will be that the province will make its payments to the constituent municipalities, and the county will pay the bills and then recover by levy from the municipalities. The end result, however, so far as Essex is concerned, may well be in 1957 that it will have received all the contributions which will be required locally to meet these costs.

The same thing can be said for many other counties, and I would like to point out that in the year 1955, the total cost of administration of justice for the purposes I have outlined above, including costs of jails in the counties, amounted to \$4,221,952.50. Of that amount, the province contributed \$784,578.81 and the counties therefore had to obtain either by county levies or by recovery from cities and separated towns some \$3,437,000.

The effect of Bill No. 103 will mean that, based on a population calculation of some 4,477,910, that amount of dollars will be paid by the province to the various counties, or, putting it another way, instead of the \$784,000 contribution by the province in 1955, its contribution will be \$4.5 million in round figures, an increase of \$3.75 million.

I draw the attention of hon. members to the cost in 1955 in round figures, namely \$4,222,000, and the population calculation for 1957 of \$4,478,000, which again would look as though the province, by these contributions, is going to pay practically the total cost of administration of justice, although this may vary from county to county, depending on the number of local factors. But certainly it is going to mean in all cases a very substantial further contribution to the cost of administration of justice and in some cases the complete cost.

In return, of course, we will expect, naturally, to have ever-improving facilities and conditions for the administration of justice.

Item No. 207 will, in due course, disappear from our estimates, by reason of this new arrangement.

A further advantage of the new practice will be to eliminate the quarterly audits by the auditor of criminal justice accounts, and the auditing will be left to the county board of audit. This will remove a standing complaint from county treasurers having to send in their accounts for audit.

I have already introduced into the House 5 bills which relate to the new practice, namely The Administration of Justice Expenses Amendment Act, The Crown Attorneys Amendment Act, The Sheriffs Amendment Act, The Coroners Amendment Act and the Crown Witnesses Amendment Act, all of which, tied in with Bill No. 103, will give this overall result.

MR. WREN: Mr. Chairman, how will that apply? The hon. Attorney-General mentioned in his explanation the counties, but how will it apply in the territorial districts?

HON. MR. ROBERTS: In the districts, of course, all this type of administration of justice of which I have been speaking is paid by the province.

MR. WREN: Oh, yes, but I am referring to this: the practice has been in the past that the province appoints a

magistrate and the municipality is served by that magistrate, including the unorganized areas. However, I am thinking of the situation where the costs of the magistrates office are paid first by the municipalities, and any remaining fines are divided on a 60-40 basis. Does that proposal still hold with these new grants?

HON. MR. ROBERTS: I think, actually, with regard to magistrates in the territories it is all paid by the province; there is no question of that. The hon. member may be thinking of a magistrate as a juvenile court judge, and there is a 60-40 share there with respect to certain cities, which I think is under item No. 8.

MR. WREN: Perhaps I am not making myself clear. The question I am raising is that I understand clearly the practice which has gone on in the territorial districts, and it is suggested there will be no change in that arrangement?

HON. MR. ROBERTS: No change in the territories whatever.

MR. WHICHER: Mr. Chairman, the hon. Attorney-General said that item No. 3 under vote 207 would soon be done away with: I cannot understand why it is necessary this year. Surely this takes effect immediately?

HON. MR. ROBERTS: The accounts keep coming in over a considerable period of time, and there is a carry-over from last year's accounts which has to be verified and paid.

MR. WHICHER: Does the hon. Attorney-General mean grants being paid to the municipalities from last year?

MR. T. D. THOMAS: Mr. Chairman, further to that question, I think the hon. Attorney-General should say they would disappear next year, because, according to his figures, the figure for 1955 was \$784,587, and the \$1 per

capita grant he is contributing now will amount to over \$4,788,000. So, therefore, this should be the last year for it.

HON. MR. ROBERTS: That is right. It will appear in future only with respect to certain accounts that have not been covered by previous periods.

HON. MR. FROST: Mr. Chairman, I may say in connection with this item, the province is paying, or will pay this year by this method, the cost of administration of justice, and is a matter, I think, that was raised by the committee on the reform institutions matter here some years ago. The province will be taking the drastic step this year of abolishing all of this complicated auditing, and will pay the municipality the cost of the administration of justice.

I would like to inform the House that tomorrow I expect the estimates of The Department of Municipal Affairs will be considered, and also the bill in connection with what we have termed unconditional grants.

That is going to make a very radical contribution to the taxes of farmers and home owners in this province. The combination in many cases will run up 4 and 5 mills, in some localities, of course, depending on the variableness of assessment.

I would say to the hon. members, and particularly to the hon. Leader of the Opposition, that nothing so radical, drastic and helpful to the home owner and the farmer has ever been before attempted in the history of this province. Tomorrow all of this plan will be unfolded by the hon. Minister of Municipal Affairs (Mr. Warrender) and hon. members will have the fullest opportunity to examine the benefits which will accrue to the little men in this province.

MR. MacDONALD: Shall we debate it tomorrow or not?

HON. MR. FROST: I do not blame the hon. member for not wanting to vote against this matter.

MR. MacDONALD: We will vote against the hon. Prime Minister, too.

MR. T. D. THOMAS: Mr. Chairman, I am very happy to know that the hon. Prime Minister says it will be debated tomorrow, because there has been tremendous confusion at this time. No one knows where they are going; sometimes I wonder whether the department does.

HON. MR. FROST: The department knows, and I would say, Mr. Chairman, that this has been done; every municipality, municipal clerk and county clerk in Ontario has been notified of that this week, depending upon the House voting these great reliefs to the municipalities, that they should withhold the striking of their tax rates until this matter is clarified, which I assume the House will do this week.

MR. J. J. WINTERMEYER (Waterloo North): Mr. Chairman, did I understand the hon. Prime Minister to say that it is his intention that all the costs of criminal justice in the province be paid for by the province?

HON. MR. FROST: No. what I said was this, the objection of the municipalities is that the costs under The Administration of Justice Expenses Act have been charged to the municipalities, and this means that something in the amount of \$4 million or \$4.5 million has been paid by the municipalities with a contribution from the province of about \$750,000. What is happening is this, all the complicated procedure in relation to The Administration of Justice Expenses Act is being eliminated, and unconditional assistance is being paid to all of the municipalities, so they will have the money to pay for the administration. As the hon. Attorney-General has said, in very many cases there will be something left over after the payment of it, so it is a very reasonable deal.

MR. WINTERMEYER: Mr. Chairman, that is the point I was getting at; will the counties continue their cur-

rent system to determine whether or not at the end of the term they will have to make some contribution?

HON. MR. FROST: Grants will go to the local municipalities, the \$1 per capita will go to the local municipality, and the county in each case will apportion the amount charged back to the municipality: that is the way it will be done.

The complicated bookkeeping system as it applies between the province and the counties will be abolished, but the expenses will still be paid by the municipalities, which will be given the money with which to pay it.

MR. T. D. THOMAS: I think under the previous system before the grant was given, the cost of administration was levied by the county against the local municipality.

HON. MR. FROST: That is right, but it was a net cost.

HON. MR. ROBERTS: The local municipality did not have the money to pay it when the levy came. Do not spoil Waterloo, because Waterloo is perhaps the prize exhibit when one looks at the results of population and court costs.

HON. MR. FROST: They will do very well.

MR. WINTERMEYER: Due to our own efforts.

Does the hon. Attorney-General think it is a desirable thing for the province to assume the complete cost of criminal justice administration in the province? Is that the objective? Is that the ultimate end?

HON. MR. ROBERTS: Yes, and I think that is actually what has been accomplished, certainly more than accomplished in the county of Waterloo.

MR. WINTERMEYER: Why does not the government do it everywhere?

HON. MR. ROBERTS: It is based on \$1 per capita which is the average cost across the province. There happens to be some counties which will not be altogether covered, despite the fact that Waterloo North is represented by an hon. member of the Opposition, but there is still Waterloo South. Waterloo county will be a model county with respect to the administration of justice facilities and developments. It is more than a model because it works out considerably to its advantage.

MR. H. C. NIXON (Brant): What is there about that?

HON. MR. FROST: Why should it not be?

MR. NIXON: The Attorney-General says that some counties will not only have their entire cost of administration paid, but will have a considerable surplus left over; other counties will not have enough out of this grant to pay their cost of administration.

Why does the province not simply pay the cost of administration? I ask because the local aspect of the administration of justice is not today what it used to be, and many counties have added expense, because of an accident, if one likes to put it that way.

For instance, a woman was killed in the province of Quebec, brought in a car, and dumped out of that car in the county of Stormont. Because of that fact there is no evidence that the murder was committed there—she was just dumped out of the car—that county had the expense of a very expensive and lengthy trial and execution.

It does not seem to me this is the fair way to deal with this matter. If the province thinks in the final analysis this \$1 per capita amount is going to pay the cost of administration of justice, why not just pay it, and no county will be charged over and above what it receives.

HON. MR. ROBERTS: Of course, there is very definitely tied in with this the desire to have improved administra-

tion of justice facilities and general improvement. There is no question that, in going about the province, one finds great variety of these methods, facilities, and actual conduct of the courts in relation to this subject.

When this was worked out, and it has been worked out very carefully, the average costs for the entire province worked out at approximately \$1 per capita, and having taken that as a yardstick—I am sorry I have not my documents with me—but in nearly every case there is a very slight balance one way or the other.

There are a few cases as a result of this yardstick where it would appear on the surface as if they were doing very well and in some other cases they do not do quite so well. The average is very close to the average across the province.

MR. T. D. THOMAS: Mr. Chairman, the feature is becoming very confused, this \$1 per capita grant is not paid to the counties, it is paid to the local municipalities, the local government.

HON. MR. FROST: That is right.

MR. MacDONALD: Mr. Chairman, I think under his item dealing with magistrates courts, the question I have in mind comes in appropriately. This has to do with bail, and I am curious, and I wonder if the hon. Attorney-General would explain to the House if there are any general rules which are used in the granting of bail, and if so, what they are?

To illustrate what I have in mind, last May there was an incident, which was editorialized in the *Toronto Daily Star* of May 30, involving a man and his wife who were charged with shoplifting and pleaded guilty. They were refused bail for the period they had to wait until sentence was given, and the last two paragraphs point out the anomaly:

This case presents a puzzling contrast to one which came up in the same

court earlier the same day. In this, a woman shoplifter with a previous record was remanded a week for sentence and allowed to go on her own bail—that is, her own undertaking to appear for sentence without any cash or property bail at all.

It is to be noted that in the case of the couple denied bail, Crown counsel did not object to bail being granted. It seems unfortunate that more consideration and mercy were not accorded this pair, caught in the grip of the law for the first time. It is such instances which cause the public to question whether even-handed justice is being meted out in our magistrates courts.

Earlier in the same editorial it is pointed out that in some instances bail is granted, and in other cases apparently it is not. What are the rules which guide in the granting of bail in cases like this?

HON. MR. ROBERTS: The question of bail is discretionary with the magistrate or the presiding officer before whom the accused person appears, and the facts of every case, of course, are the determining items. It is very difficult to lay down any general rules.

Where something happens which appears to be exceptional or out of line, it is drawn to the attention of the department. Such isolated cases have been drawn to our attention and the situation looked into and corrected. However, the discretionary powers are in the magistrates, and generally speaking, they are well exercised, but every now and then something can come up that perhaps gives rise to a hard case. All I can say is, if any of these do come up and are drawn to the attention of the department, they get our attention.

MR. MacDONALD: Was this reconsidered?

HON. MR. ROBERTS: I do not recall that one particularly, but I know there was one around that date which was looked into.

MR. NIXON: The hon. Attorney-General evidently knows how this administration of justice per capita grant will work out in Waterloo. But how does it work out in Brant?

HON. MR. FROST: The hon. member will be very well pleased; I will show him tomorrow.

HON. MR. ROBERTS: I am sorry I have not the document with me, because I intended to have it, but my recollection is Brant got about 80 per cent.

MR. NIXON: Well, I will say, Mr. Chairman, an arrangement which will give Waterloo a big surplus and Brant only 80 per cent. is definitely not fair. We have there, as hon. members know, the cost of administration on the Indian reservation, which is a very considerable cost, I can assure them.

Just to give another instance of how unfair it is to apply simply the local cost, we just had a very long drawn out and expensive case where a man from Toronto picked up a girl in a beverage room in Galt, criminally assaulted her on a side road in Brant, and that case came on after 3 or 4 years. The man was picked up in the United States, brought back, and we have just completed this very costly trial.

I do say again that this matter does not work out fairly for Brant when it gets only 80 per cent. of its costs and Waterloo has a surplus.

HON. MR. ROBERTS: Actually, what the hon. member has said is the reason it worked out at 80 per cent. on the figures about which I am talking, because in one year a district will have a trial which would run its figures up and in another year a light docket will run them down.

We have taken an average of the province, the 36 judicial districts, and I think over a period of time it is going to work out very fairly.

It will give rise to some serious competition to do better and handle more

economically the administration of justice in those places where they may be out of line now by this yardstick. I am quite certain, in finding a yardstick which will cover the province, we have something which is as good as we can get.

MR. OLIVER: Could the hon. Attorney-General tell me how many of these areas will receive more than 100 per cent. and how many will receive less than 100 per cent?

HON. MR. FROST: There is not very much validity to that question.

MR. OLIVER: Why not?

HON. MR. FROST: There are variations in the years. The first principle we have to determine is, is it an advisable thing after a thorough consideration, to take the administration of justice away from that municipal level? It is not a practicable or satisfactory thing to do. If that were done, it would have a very upsetting effect, because we must remember these systems have grown up over a long period of years, and if the administration of justice were taken away from the municipalities in one swoop, it would be a very expensive thing for the people who have to pay the costs. It would be a very inefficient setup.

It may be that Brant will run up a little one year, but the great probability is that the next year they would be under, and it was felt that the average of \$1 per capita would more than pay the cost, and if one takes it over a period of years, the municipalities would be bound to be in money, no matter what they do.

The unconditional grant system is perhaps a misnomer in some ways, because it is conditioned and on the tax bills it will be so indicated that this is a contribution to the cost of the administration of justice. The term "unconditional grant" has become more or less a symbol expression in the Legislature that is not understood by the people. On the tax bill, it will be made very

plain that this is a contribution towards these various things.

I was noticing the township of Brantford. Is that not in the constituency of the hon. member for Brant?

MR. NIXON: Part of it.

HON. MR. FROST: My recollection is in the township of Brantford, it makes a difference to a home owner of about 4.5 mills, which is a very sizeable contribution in that area. I think by and large, and taken over a period of years, the hon. member is quite right that one might run into a certain area with some expensive trials. That is dependent upon the operation of the juries, sometimes there are more juries than others, and that has a tendency to run up the cost. But at other times, when the juries are not operating so much and when there is less crime in the communities, the jury costs fall.

By and large, I think the municipalities would work out a little ahead of the game.

MR. NIXON: May I ask then, if this is not an unconditional grant but really has to do with the administration of justice, will the hon. Prime Minister include the 6,000 Indians for whom we are responsible in the administration of justice? Is that not a fair proposition?

HON. MR. FROST: I do not know how that works out on the Indian reservation. Is that a municipality? Is that not a case which comes under the treaty with the federal government? The federal government should start living up to their treaties the way the court decided in Edmonton. I thought that was a very sensible judgment, and if it started living up to the spirit of things, we would be out of our difficulty.

MR. NIXON: Well, so we are.

MR. WHICHER: Does this government contribute unconditional grants to Indian reservations?

HON. MR. FROST: I do not know; they are under federal jurisdiction.

MR. WINTERMEYER: May I ask the hon. Attorney-General whether it is the intention of the government that sooner or later — it may be impossible immediately because of administrative difficulties — the entire costs of criminal justice will be taken over by the province? Is that the objective?

HON. MR. ROBERTS: If one takes it across the province, to all intents and purposes the entire cost is — or could be — taken that way.

MR. WINTERMEYER: Is the hon. Attorney-General going to change his methods in any way? Eventually, does he intend to pay all criminal justice costs?

HON. MR. FROST: We are doing it now by this arrangement.

MR. WINTERMEYER: Obviously not in some areas. Is it the intention after these administrative difficulties are cleared up?

HON. MR. ROBERTS: I think it was made clear by this method, the local authority is maintained as the responsible authority for providing the facilities, but by a grant of this sort they have a certain control over their expenditures, and their own matters, which ought to put them in a position to meet the cost of the administration of justice.

MR. WINTERMEYER: Was not the hon. Attorney-General on record as advocating the complete cost of criminal justice by the government?

HON. MR. ROBERTS: These are the running costs.

MR. WINTERMEYER: That is right. Was it not his intention, did he not speak publicly at one time and suggest—

HON. MR. ROBERTS: Yes, and I am very happy to say by this additional amount of some \$3.75 million, we are in a position to do it. I am pleased with what the government has done. I would expect, as studies go on, and we progress with this very progressive government, that we will come up with ideas from time to time.

MR. WINTERMEYER: Will the hon. Attorney-General continue the grant method of payment of criminal court justice costs; is it his intention to continue this system?

HON. MR. FROST: Yes, it is.

MR. MANLEY: Mr. Chairman, on vote 207, No. 6, salaries for magistrates:

I would like to direct a question to the hon. Attorney-General at this time, and it is this: how many magistrates has the department lost in the last year, and how many have been appointed? Are those magistrates' salaries paid on a graduated scale as to the length of service, or what is the qualification for the appointment of magistrates in the province?

HON. MR. ROBERTS: I would just say this with regard to magistrates; I cannot recall at the moment any resignation of a magistrate during the last year; none have resigned. There may have been a death or so, or a retirement on an age basis, but there have been no resignations.

The magistrates' services have been extended somewhat to meet the growing conditions. I have a memo here which may be of interest to the House. There are 76 full-time and part-time magistrates and deputy magistrates exclusive of juvenile court judges who are ex-officio. I asked for a division just as a matter of clarification. Something was mentioned about that.

Of this number, there are 11 deputy magistrates, none of whom are solicitors, and 65 full and part-time magistrates. There are 12 who are not

solicitors and by my calculation I think it would be 23 non-solicitors and 53 solicitors at the moment.

The practice is to appoint one qualified in law for this position, but there are occasions when that has not been done, and a non-lawyer is appointed.

Non-lawyers have turned out very well, they make very good magistrates, and therefore we have attempted a proportion that is something like 65 or 70 per cent. in the legal group, and perhaps 30 to 35 per cent. in the others.

MR. MANLEY: What is the salary basis for an appointment as a solicitor or just as an ordinary layman, or how are the salaries based?

HON. MR. ROBERTS: How do we wish?

MR. MANLEY: How does this government base the salary that it is paying the magistrates? If he has been a solicitor, does the hon. Attorney-General pay him more than in the case of an appointment of a layman?

HON. MR. ROBERTS: It is based, to a very considerable extent, having in mind the population, on the amount of work that is likely to be involved, and factors of that sort—general experience. But generally speaking, the magistrate starts off at a lower figure and works up year by year and from time to time, and there is always the expectation as he provides years of service that he will do a little better by steps, so there is a certain amount of incentive that way, very definitely.

MR. MANLEY: Mr. Chairman, I would like to carry this a little further. Would the hon. Attorney-General tell me this: what is the low and what is the high which he is paying to those magistrates at the present time? I am very much interested in this and I want to carry this on a little further, if I may.

HON. MR. ROBERTS: The highest figure is \$11,000, I believe, and the lowest figure is \$6,000.

MR. MANLEY: Mr. Chairman, the lowest is \$6,000. Is that what I understood the hon. Minister to say?

HON. MR. ROBERTS: That is right.

MR. MANLEY: And the highest is \$11,000?

HON. MR. ROBERTS: Yes.

MR. MANLEY: Then, here we have a magistrate who has gone through Osgoode Hall. He has completed his full law course; he is presently today a police magistrate, and he is right up to the different changes in the legislation. He knows the law in its entirety; is in a position which would certainly keep him abreast of the different changes, if I may put it that way, and yet this government is asking that man to sit on the bench day after day and deal with those cases for \$11,000.

That same man—if we put him at an average of \$7,500—if he resigned as a police magistrate and opened up a law office in that particular town, we know that he can earn far more than the amount which the government is paying him as a police magistrate. I think it is a very serious problem, and I say to the hon. Attorney-General that those men are being penalized by being in the position that they are only receiving about an average of \$7,500 a year.

If we are going to have the type of men to sit on the benches that we desire in this province, to me it is very essential that we should have a man who understands law and who is able to assess those cases both for the benefit of the province and for the benefit of those people who do happen to get in trouble. I feel to achieve this we will have to rearrange the adjustment of pay which we are going to pay our magistrates across this province.

MR. WHICHER: Mr. Chairman, on vote 207, items Nos. 11 and 12, salaries, \$83,000. The amount spent in 1956 was \$37,000. That is well over double. I

know that inflation has set in, but \$37,000 and \$83,000 seems to be a little too much.

HON. MR. FROST: The hon. member is looking at the wrong item on the wrong account.

MR. WHICHER: No, I am not.

MR. MANLEY: Mr. Chairman, I do not like to interrupt again, but the hon. member for Bruce did interrupt before the hon. Attorney-General answered the question I asked him, and I would like him to answer my question and express his opinion on the matter I brought up a minute ago.

HON. MR. ROBERTS: I would be very glad to do that. I do not think anyone in the House is any more interested than I am in seeing that there is fair remuneration to any person in the civil service or any position, and I might say that I have spent many hours with the Deputy Attorney-General and others going over salary schedules and comparisons.

In a large organization of that sort, we have to keep them in reasonable bounds and by comparisons as to the amount of work in the cities or the towns. Comparatively, we might have somebody away out of line some place with somebody somewhere else, and it is a constant study.

But I do think that the House should always take into consideration that as men who dedicate themselves to this type of work, as they grow older in that service they have the advantage of the pension system, the superannuation system, which as they go along becomes more and more apparent. It has a very great value in relation to remuneration.

I think it is quite possible for a magistrate taking office at somewhere in the neighbourhood of 30 to 40 years of age, at the end of his time of service to retire with a pension of approximately 70 per cent. of his salary at the time of retire-

ment. That is a very important thing, and I think it also carries half to his widow if he dies. So that is a very important consideration and something which has to be taken into account in all these considerations of salaries.

MR. NIXON: Does the hon. Minister know what county judges' salaries start at?

HON. MR. ROBERTS: County judges had a recent increase to \$12,000.

MR. NIXON: Well, the qualifications of the two are not in many cases very different, are they?

HON. MR. ROBERTS: I would not like to get into that question.

MR. MANLEY: Mr. Chairman, the answer which the hon. Attorney-General gave me in regard to benefits and all that was not inducement enough to induce the hon. member for Grenville-Dundas (Mr. Cass) to stay in the position of being a police magistrate; he is an hon. member of the House today.

MR. MacDONALD: Mr. Chairman, with regard to probation officers there are two questions I would like to ask the hon. Minister. Some time ago it was announced that something like 20 odd new probation officers —

HON. MR. ROBERTS: I am sorry, if we are going to the item of probation, I again would like to have the permission of the House to make some general statements about that.

MR. OLIVER: May I ask the hon. Minister one question about item No. 10 covering expenses, warrants and summonses, re deserted wives and children. What is the practice of the hon. Attorney-General in regard to these cases? Do they initiate proceedings, and what to they do in regard to these matters? I would like to hear the hon. Minister on it.

HON. MR. ROBERTS: I understand that is a new item in the estimates and it is there in order that husbands who have deserted their wives can be brought back from some distance away to stand a hearing and to be asked, if possible, to live up to their responsibilities. That is the purpose of it.

MR. OLIVER: Is that done? Does the hon. Attorney-General's Department bring them back?

HON. MR. ROBERTS: Where it is possible to do so.

MR. OLIVER: What happens, of course, as the hon. Attorney-General quite well knows, is the mother has to lay the charge in the first instance against this man and she gets judgment, and he is supposed to pay her so much a month; something like that. She gets about one payment and then he disappears. They find him again and they tell her that the next thing she must do is lay another charge against this man. Again, he pays one or two payments and is gone.

This mother, in 9 cases out of 10, knows nothing about legal matters and what must be done to institute these proceedings, and I have always thought the department of the hon. Attorney-General, or some responsible department of government, should carry these things on and find this man and force him to come back or make him pay what the courts suggest he should pay. The way it is now, it is a regular merry-go-round, and the persons who suffer are the mother and the children.

HON. MR. ROBERTS: I do not know whether legal aid helps with that particular type of thing. The hon. Leader of the Opposition is suggesting there should be some assistance at the expense of the government.

MR. OLIVER: I would think once the deserted wife was given a judgment in the first instance, after that it should

be the responsibility of a department of government to follow that man from place to place and not require the woman to institute proceedings every time he leaves.

HON. MR. ROBERTS: The Deputy Attorney-General points out to me that documents may be sent from one court to another province and another court, to be enforced there under our present practice. Whether it is feasible to go as far as the hon. Leader of the Opposition suggests I would not like to say; I would prefer not to give an offhand opinion on that. I think it would involve a tremendous amount of detail work which one could not expect a government to take on.

Under the heading of probation I would like to make a few remarks. In 1956 and early 1957, another 20 probation officers were appointed so that there are now 105 provincial probation officers serving the courts of Ontario. Ontario is divided into 48 judicial jurisdictions, 37 counties and combinations of counties and 11 districts. Of these 48 areas, 47 are now covered by provincial probation staffs and the other is pending, and this will complete the coverage of all the courts in the province.

In 1956 there were 7,000 adults convicted in the criminal courts under probation supervision; 3,117 brought forward from 1955; 3,867 placed on probation during 1956, far more than the total of the other 9 provinces.

Apart from the humane benefits which accrue to the probation system, there is the obvious financial saving. It is estimated that, to keep an offender on probation for one year, it costs approximately \$50; to keep an offender incarcerated for one year costs from \$1,500 to \$2,500, according to the Fauteux report.

The present budget is for \$750,000. This allows for the appointment of 10 additional officers during 1957 where the existing officer is greatly overloaded. Requests have already been received from the bench in 10 areas.

There are presently 46 juvenile and family courts in the province; there are 3 more in the process of formation. The reason for this is, in the 3 areas there are two such courts, Essex and Windsor, Ontario and Oshawa, York and Toronto.

In 1956, 140 probation officers counselled over 35,000 parties involved in marital conflicts, of which some 10,000 came officially before the courts. During the year these courts collected over \$2.5 million on behalf of deserted wives and children. Over 3,000 delinquent children were under official probation supervision during the year, and at least another 3,000 were dealt with unofficially through the medium of occurrences.

I have here a number of statistics, all of which is of interest and could be put on the record without my reading it.

MR. WHICHER: How many more probation officers are needed?

HON. MR. ROBERTS: We contemplate another 10 in these estimates.

Vote 207 agreed to.

Vote 208 agreed to.

On vote 209:

MR. T. D. THOMAS: Item No. 9, special services for children's aid societies. I wonder if the hon. Minister would tell us something about that one.

HON. MR. ROBERTS: This is to pay the branches of the children's aid societies for special services of interviewing principals and compiling information when children under 16 are involved. The average fee is \$10 per case.

Vote 209 agreed to.

Vote 210 agreed to.

On vote 211:

MR. WHICHER: Vote 211 is controlled by the government and the reason for this additional tax on the fire insurance premium was because there was a deficit in this department. How much was that deficit last year?

HON. MR. ROBERTS: Perhaps I should say something again about this department as it is a very active and important one.

The fire marshal's office has regional offices for fire department organization and training in London, Welland, Guelph, Toronto, Orillia, Lindsay, Kingston and Cornwall, and for fire investigation in Woodstock, Toronto, Belleville and Ottawa. For joint fire department organization, training and investigation there are fire marshal offices in North Bay, Timmins and Port Arthur. For fire prevention inspection work there are 4 graduate engineers, members of the Association of Professional Engineers, to give highly skilled technical advice to fire departments and the public.

In the itinerant fire training programme, 1,500 students per year have been given instruction in their fire departments by our field officers. In the academic course where the fire fighters are required to come to central locations for their tuition, 1,025 fire fighters were given instruction under this programme. A great many courses in electrical wiring instruction were given and in addition this year, in the appropriations and estimates, provision is made for progress in the training of fire officers by means of a fire school.

County mutual aid has been developed for both peacetime conflagration protection and civil defence, and is now organized in 32 counties in the province. Last year it was used on 42 different occasions, preventing in many instances a serious conflagration from spreading throughout the municipality. It has been found that insurance rates in many municipalities have been beneficially adjusted as a result of this programme.

In 1956 and 1957 expenditures were \$316,000; revenue, \$220,000, with a deficit of \$96,000. For 1957-1958 the expenditure is estimated at \$440,000; revenue estimated at \$440,000.

Vote 211 agreed to.

On vote 212:

MR. G. C. WARDROPE (Port Arthur): Mr. Chairman, may I ask one

question. It is about those legal forms which must be made out with a signature when an application is made. They have caused me untold annoyance. It says "in the county of"—and in our part of the country it is "the district of", and we have to strike that out and substitute "district." Are none of those forms ever made with the word "district" printed on them?

HON. MR. ROBERTS: Are there forms with "county" printed on them going out to the districts?

MR. WARDROPE: There are.

HON. MR. ROBERTS: That will be looked into and corrected.

Vote 212 agreed to.

On vote 213:

HON. MR. ROBERTS: I think I should have the opportunity to say something of this great organization.

Mr. Chairman, the provincial police are distributed, as you know, in some 16 districts throughout the province, and there are 170 or more detachments of one or more men, and the estimates for 1957-1958 for the department make provision for an increase in the strength of the Ontario provincial police from the present various units with a personnel of 1,570 to 1,770, an increase of 200.

With these additional men it is believed that the present manpower shortage will be considerably relieved. The starting salary of a probationary constable as from April 1st will be \$3,120, and the constable will be able to reach the maximum salary of a constable in 4.5 years instead of 6.5 years. The service bar allows him \$2 a month for each five years of service, and this will be increased to \$5 per month for each year. This affects all those with service over 5 years.

Several Ontario provincial police buildings are under construction at the present time, and it is expected some 50 housing units will be completed

during the coming fiscal year, and this will be of great assistance in relieving the acute housing shortage in the province of Ontario.

At present 123 housing units are available, consisting of 75 detached housing units, 48 additional units which are attached to the department detachment offices. The total number of head-quarter detachment offices throughout the province is 186.

MR. MacDONALD: Mr. Chairman, there are two items under this vote which I would like to raise. The first one has to do with a topic which, I understand, appeared in today's issue of the *Windsor Star* and was discussed at a meeting in Windsor by the hon. Attorney-General last night. It has to do with the alleged gambling operations of a certain club on Walker Road in Windsor.

The thing that puzzles me about this is that this club has been able to flaunt the law for a considerable time, and news reports indicate that the hon. Attorney-General has said on a number of occasions that it is, apparently, impossible to catch them at it.

Here is the kind of situation that exists: On April 2nd of last year there was a story which ran in the *Toledo Blade*:

Raids by OPP have proved ineffectual — blamed federal chartering of the establishment for police inability to close the place. Under federal charter, second issued in two years, anyone can be excluded from admittance—even police.

Under-cover agents of the anti-gambling bureau have been rebuffed at the door and have had to chop their way in only to find gambling evidence gone. Heavy doors reinforced with steel plates have increased their delay in gaining admittance.

MR. J. MALONEY (Renfrew South): Is the hon. member reading from the newspaper?

MR. MacDONALD: I am reading a typed copy of the newspaper story.

MR. MALONEY: How do we know that? I rise to a point of order. If the hon. member is not reading from the paper to which he refers, but is reading from a typewritten excerpt, he is entirely out of order and he should produce the paper.

MR. CHAIRMAN: I am informed as long as the hon. member makes himself responsible for the statement he is making, he is in order.

MR. MacDONALD: I so make myself responsible. This is a transcript from the *Toledo Blade*. Why is the hon. member so exercised?

Police have found a Detroit, Howard Kerr, one time king of the Detroit-Windsor bookie joints, in the place. Their suspicions that Leo Finnegan and Frank "Curly" Gardiner, Canadians, have strong financial backing from the Detroit gambling element were strengthened from the presence of Kerr, police said.

Checks of automobiles in the spacious flood-lighted parking area around the club indicate that 95 per cent. of the play is from Detroit patrons.

The club's windows are all barred. The flood-lighted yards make it easy for the two parking attendants to spot unwelcome visitors.

If he's a policeman or recognized as an intruder, he will arrive to find men and women standing around chatting, playing snooker at the two billiard tables, or sitting around at the several tables playing cards—no money will be showing.

If he is a member, he will be admitted through the heavy gambling room door after two knocks from a doorman.

The day this appeared in the *Toledo* paper the *Windsor Star*, or a reporter at the *Windsor Star*, got in touch with

the manager—rather, got a call from the man who claimed he was the manager of this outfit and was told to “lay off or else.”

Without going any further into this, Mr. Chairman, can the hon. Attorney-General state why this kind of situation can exist for at least a year now, without something being done about it; without the Ontario provincial police being able to catch up with the people involved?

HON. MR. ROBERTS: I would like to say to the hon. member that I was in Windsor yesterday and, I take it, he is referring to something which appeared in the *Windsor Star* today.

MR. MacDONALD: There was some reference to the whole problem.

HON. MR. ROBERTS: I would say that the police anti-gambling squad was doing its best to cope with the situation of gambling wherever it may appear or be suspected in the province. It would not be giving away any secrets to say that half-a-dozen raids were made on the spot the hon. member mentioned within the last 12 months. However, until the necessary evidence can be obtained, we cannot obtain a conviction.

MR. MacDONALD: Is this evidence here confirmed by the police, that when they went, the doors of the club are so barred one almost had to chop one's way in? To quote from this document again:

If he is a policeman or recognized as an intruder, he will recognize women standing around playing snooker or billiards and sitting around at a dozen different card tables and no money will be showing.

In other words, anybody not regarded as a regular patron will find that the whole thing is cleaned up by the time he gets in.

HON. MR. ROBERTS: Well, there is a delaying action in regard to anybody

trying to get in forcibly but, unfortunately, this is one of those places that operate under a federal charter, obtained quite a few years ago, and I have been in communication with the hon. Minister of Justice about similar places, and he took steps to force a certain unit of the air force — or what was holding itself out as such — to separate itself from one of those places a few months ago. This federal charter is regarded as something that gives special protection.

MR. MacDONALD: Would the hon. Minister explain how it is a federal charter?

HON. MR. ROBERTS: It is a federal charter of the Army and Navy Veterans, and they do a certain amount of disciplining within their own ranks, and they have assured us on several occasions they have investigated this situation.

On one occasion I was invited by one representative to see for myself, but that would not do me any good because I do not visit these places and I would not know whether they were gambling or not. As far as the police are concerned, we are doing everything possible, within sensible bounds, to keep on top of any gambling of the nature the hon. member has mentioned.

MR. MacDONALD: I am very glad to hear that assurance from the hon. Minister, but I leave the matter expressing this point: it seems to me to be an astounding proposition when a club which is alleged to have this type of activity going on, and when the newspaper stories get out, that a reporter gets a telephone call from a man claiming to be the manager of the place who says, “Lay off or else.”

HON. MR. ROBERTS: Well, I know nothing about that.

MR. MacDONALD: No, but the hon. Minister has indicated everything is being done in this respect.

The other point I want to raise is one I raised a number of times in this House, and I want to get down to the basic principle involved—that is the question of the use of provincial police in industrial situations.

I was interested to note in the annual report of the Ontario provincial police that it contains a fairly lengthy list of the instances where a part was played by the provincial police in industrial disputes. I was also interested in noting, after the discussion in this House, the comment of at least one newspaper report to the effect that there was no principle involved.

I want to emphasize this, because I think, in the instance of the northwest Ontario association, there are two important principles involved.

One I will mention only because it is not within the jurisdiction of the department we are considering at the moment. That is the principle of a group of people who theoretically, under The Labour Relations Act, have the right to organize for collective bargaining, but, in practice, either because of some section of the Act, such as section 78, or because of some interpretation of the Act down through the years, are barred from the right to collective bargaining.

That is basically the problem that underlines the alleged illegality of the situation in northwestern Ontario. In a strict legal sense it is illegal, in the same way as the strike that took place in the hon. Prime Minister's home town was illegal a couple of years ago, until the local council put it back under section 78.

The other point which I think represents an equally important principle, and which comes within the purview of this department, is the question of when, and under what circumstances, the provincial police in the numbers that are sometimes used can be legitimately brought into an industrial situation.

May I say this before I go any further: that the attempted charge that I am accusing the provincial police as individuals of having been strike

breakers, of course, is not my intent at all. I do not know whether it is possible to find a form of words to make my intent explicitly clear, for what we have is a group of men, working as a force, who must go where they are ordered to go.

It would be interesting to discover exactly what they, themselves, think of the job they have to do, and I have some reason to believe that some of them have very serious doubts, but they are like soldiers in an army—their job is to take orders and go in.

The crux of the problem, it seems to me, is this: in the past it is my opinion—and I would like the hon. Attorney-General to dwell upon this when he comments—that the hon. Attorney-General acquiesces far too readily and easily on the request from a local council, or whatever the official body is—in this instance it was the official officer of the local police—to send in the provincial police. Does the hon. Attorney-General ever refuse to send in the police?

AN HON. MEMBER: Why should he?

MR. MacDONALD: And if so, what proportion of occasions? If we take a look at the specific case of the truckers' strike in northwestern Ontario, when I raised the matter earlier and alleged that there were from 100 to 200 police in northwestern Ontario, the hon. Minister dismissed it all and gave the actual facts.

Here, for example, to show you that if I was wrong, then a lot of people in northwestern Ontario were wrong, is a report from the Port Arthur *News-Chronicle*. The story appeared on Feb. 21 and these are the two paragraphs:

The Fort Frances-Kenora strike was highlighted by the largest gathering of Ontario provincial police ever called into a labour dispute. It is estimated 150 Ontario provincial police constables were rushed to the

area to keep the peace. They were used to protect the people who continued to haul pulp while the strike was in progress, and to protect property. The police were split evenly between Fort Frances and Kenora.

Many police were at Camp 309, considered the main trouble spot. Union officials say there were more police involved in that strike than were brought out at the Windsor strike when 11,000 Ford employees walked off the job.

Certainly the impression in the community, and certainly the impression in the minds of the people involved in the industrial dispute, was that there was a great concentration of provincial police brought into the area, and if that impression is around, it is in itself a certain atmosphere or degree of intimidation.

Let me go further: the hon. Attorney-General has received a letter from Mr. Andre Welsby, the head of the Lumber and Sawmill Workers Union in north-western Ontario, and I want to quote one paragraph of the letter:

Although neither the withholding of their labour nor their desire to convey information were unlawful, and although no incident had occurred nor had an incident been envisaged by the association, an unprecedented concentration of OPP converged on the area.

There is the view of people who were right on the spot, and I assure the hon. Attorney-General, whether he wants to believe it or not, that it is a view shared by a large number of people who were not participants.

I want to go a bit further: I am curious to know, Mr. Chairman, if this was not an instance in which the police, unwittingly or otherwise, were taking sides with one group involved in this industrial strike—namely, the company. If they were not, how does the hon. Attorney-General explain the fact that the blankets, that some of the supplies, that some of the cigarettes with which

the men were kept in certain areas from this area, came from the stores of the Ontario Minnesota Pulp and Paper Company?

HON. MR. ROBERTS: Is the hon. member reading from a letter from Mr. Welsby in which he asked me to make an investigation?

MR. MacDONALD: Yes.

HON. MR. ROBERTS: If the hon. member wants an investigation made, and the results of it, let him not try to carry out the investigation in the House.

I have already told Mr. Welsby I will do what I can to have the matter looked into, as he was alleging certain things. Therefore, with the co-operation of the hon. Minister of Labour, I have arranged for a representative of the labour department and a representative from my department to go and look the whole situation over and come back and let us know what they find.

If the hon. member is going to start to investigate it here, I will not send them.

MR. MacDONALD: I thank the hon. Attorney-General. He is most flattering on occasions, but the last time I raised this he dismissed the whole thing and said I was making insinuations. I am very glad the hon. Attorney-General is starting to investigate it, and he is doing so because I raised it in the House.

HON. MR. ROBERTS: The hon. member read the letter from this gentleman; I have replied to it. Why not let the matter stay that way until it has been done?

MR. MacDONALD: Well, let me draw to the hon. Attorney-General's attention two or three other points, and I trust he will report to this House exactly what happens, and we will be able to judge a little more accurately as to whether this was a participation into the strike on the side of management.

For example: in one incident that took place the police used their riot clubs, or billies, to back up a picket line. When that type of thing happens, is this intervening in an industrial dispute? Is it intervening on one side as against another?

Consider this: there is a written statement available from pickets who were stopped on the highway by the Ontario provincial police and ordered to turn around and go home, because if they proceeded to the picket line they would be arrested. Does the hon. Attorney-General think that is participating in a strike on one side of the dispute?

MR. MALONEY: Swear him in as a special constable.

MR. MacDONALD: The most remarkable incident, to me, of all is this, that on one occasion up around Camp 200, this famous instance of the throwing of the snowballs, there were no provincial police around at the time. But that night the provincial police arrived at Vermillion Bay with officials of the company involved, and these officials went around and pointed out the men, and said, "These are the men."

What happened was that these men were arrested and they are now facing charges. They were arrested under section 366 of the criminal code. This is a summary conviction matter, and the police could not arrest a man on any reasonable or probable ground. As I understand the normal procedure—and I am not a lawyer—it is that one must go through a magistrate and swear out a warrant.

AN HON. MEMBER: Was the trial going to be here or in the court?

MR. MacDONALD: The mere fact the police arrested these people without warrant, and upon the unsworn information of the officials of the company, clearly shows the close co-operation existing between the company and the police.

MR. COWLING: Why should there not be?

MR. MacDONALD: I leave all of these matters, because the hon. Attorney-General is investigating it, and he is investigating it because I raised it in the House.

Yet when I raised it, he dismissed the matter, and as a result of the dismissal he has received, from the head of one of the largest and most responsible unions in northern Ontario, a request to investigate. I emphasize this, because I want to get back to the basic principle to which I would ask the hon. Attorney-General to address himself. A year ago I raised another incident, which admittedly took place before the present hon. Minister took over the office of Attorney-General.

This was the incident in the town of Wallaceburg. When the civic employees attempted to organize, the council took action and removed their employees from under section 78, so this group of employees, which theoretically had the right to collective bargaining under The Labour Relations Act, was deprived of that right, so they went on strike.

Next, the council passed a motion, or whatever is required, and asked the hon. Attorney-General to send in the police, and the hon. Attorney-General sent in 19 police. For 7 weeks, 19 police watched over the activities of 17 strikers.

Incidentally, when they were off duty, I understand the police and the strikers played softball together. This shows what a misuse of the provincial police it was, when presumably they are needed in other areas, and are brought in for this kind of duty.

The climax to this whole affair was, after they had been housed in the hotel and ran up a bill of \$10,000 which would represent a sizeable addition to the mill rate, then the hon. Attorney-General picked up the tab.

I say to the hon. Attorney-General that if he does not want the impression abroad that the use of provincial police in industrial strikes is not for strike breaking purposes, then he will have to

take different action than this to convince the public that he has not acquiesced too easily in sending in the police.

The request comes from the local area, allegedly because of potential violation of the law. The authorities then have to take provincial police away from where they are needed and concentrate them on this kind of work. It is a misuse of the police, it is an abuse of the force.

MR. G. W. PARRY (Kent West): Mr. Chairman, I would like to say one thing in defence of Wallaceburg. I did not think the hon. member for York South would go so far when Wallaceburg has treated us so well just a little while ago. The police were called in there to protect a public utility.

HON. MR. ROBERTS: Mr. Chairman, in connection with some of these questions of the hon. member for York South, I thought we were on estimates for an increase in police force salary, and I do not know how he is going to vote on that.

MR. MacDONALD: I will vote for it, because they are underpaid.

HON. MR. ROBERTS: I am glad to hear that. I must answer very generally, because these questions have come from all angles and are not specific in any way.

MR. MacDONALD: What does the hon. Attorney-General mean, they are not specific?

HON. MR. ROBERTS: Not that I want to suggest that I am answering in somewhat the same vein as the hon. member for York South asks his questions, but, first of all, the Ontario provincial police force has been built up as a very fine force and, as I have said on many occasions, a friendly, good public relations force.

Since I have been in office, and I am certain since my predecessor was in

office, that force has never been used knowingly or otherwise as an instrument in favour of one particular party to a dispute and against another. Nor shall it be used that way, I am quite certain, as long as this government is in power in this province.

I want to make it abundantly clear that at no time was there ever any approach made to me in relation to this situation in northern Ontario, nor did I — or would I — have any thought of sending any part of this force into that area for the purpose of giving assistance to one side as against another.

However, there is a very definite duty to maintain law and order and with respect to that, when the request came to police headquarters here from a responsible inspector in the area — I gave my answer to that some time ago as to figures — they conformed with those requests. I know that at no time here, and I am quite sure at no time at the other end, was there any pressure on the part of the employer to force the hands of the police, and if the police were hand in glove with him, I would be the most amazed person in the House.

The hon. member for York South comes in to the heat of these debates with information from his friends, people who tell him things, and he sees in government something which really is not there at all. I am convinced that this police force did not on this occasion act differently than it acts at other times, and that is as guardians of law and order with no axes to grind.

MR. MacDONALD: Will the hon. Attorney-General answer this specific question? What are the yardsticks that he uses in deciding, when he gets a request for sending police in?

HON. MR. ROBERTS: I am glad to say I have not had too many situations where there has to be a sending in of forces. I can say this, that there have been several occasions when discussions have taken place. I am speaking now of cases where one or two mayors were apprehensive, and as a result of the view

that I took and the advice of the commissioner and my deputy, there was never any need to send in any of our people.

I wish that could be the case always, but when an inspector in an area where he is responsible communicates with his superiors saying there is a need to do this, then I think, if one has any faith in his inspector at all, he has to be inclined to consider that they get what they require, and give reasonable acquiescence to those requests.

In this matter which was brought up in the north, we are going to find out the true facts, and I am very glad to have the assistance of The Department of Labour, whose officials know a lot about that sort of thing, and it may assist us in the future even though at the moment I am advised that nothing up there in any way gives anyone an excuse to play politics.

MR. MacDONALD: Mr. Chairman, just let me make this one brief comment: I am glad to hear the hon. Attorney-General is looking into it, but surely if the potential violation of the law is the excuse for sending in extra police, the lower end of Jarvis Street would be packed with police cruisers all the time.

What existed in this area was an accusation or suggestion that there would be a violation of the law, but what did the department in fact have?

They had nothing worse than obstruction charges based on obstructing traffic, arising out of the business of picket lines and throwing snowballs. Here is the important point — and this is why extreme caution has to be used before police are sent in — by sending in police, the department provokes the violations that the police are presumably in there to contend with.

MR. STEWART: What would the hon. member for York South do if he was the Attorney-General?

MR. MacDONALD: I think I would examine things more carefully before I

sent in 19 policemen to watch 17 strikers.

MR. W. MURDOCH (Essex South): Mr. Chairman, there was a time in Essex county when the people wished they had the police there to enforce the law. These men should let the people know they are on the job. I remember in the Ford strike in Windsor in 1945 when hundreds of vehicles, people driving cars and trucks in the city of Windsor, were forced to drive their car or truck into a blockade of hundreds of cars and the people of Windsor said, "Where are the police?"

The situation could have gotten entirely out of hand. I think our police can be congratulated, and under this system, if people need help, they know they will get it.

MR. MacDONALD: I am not saying there are not industrial disputes where they will be needed, but this was not one of them.

MR. MALONEY: Mr. Chairman, as one who has been engaged for some years in the practice of law, particularly in defending people accused of running afoul of the law, I have found it necessary from time to time to scrutinize very carefully the conduct of the provincial police officer who for the time being might have been in front of me as a witness to be cross-examined.

I am frank to say that, under the commissioner of the provincial police that we have today, there has been such a decided improvement in our provincial police force that even the hon. member for York South, if he were possessed of authentic information, would agree that we have today in Ontario a force that is second to none in the world.

MR. MacDONALD: That is right, I was not—

MR. MALONEY: The hon. member is doing his best to undermine them by accusing them of being instruments.

MR. MacDONALD: I am talking about them doing a job which places them in a very invidious position.

MR. MALONEY: As usual, the hon. member will talk all around the subject, and make a political spring-board out of something that does not exist. But, suffice to say that the request by the hon. Attorney-General for an increase in his estimates for the purpose of adding to the force should meet with the unanimous approval of this House, because of the magnificent force that we have, and the very high and efficient manner in which it is operated under its most capable commissioner.

MR. WREN: Mr. Chairman, I have listened with some interest to remarks about the provincial police force, and I do not think I have to repeat again what I have said on many occasions in this House, that they are a force of men very highly respected. I have advocated a great many benefits to the force in the northern part of the province.

I want to make this very clear to this House. In this whole episode which took place in Kenora and Rainy River ridings, those constables and inspector were merely maintaining order, as is demonstrated by the almost entire lack of violations through the whole episode. They did their job remarkably well.

I sat in this House during another Legislature, but on my left sat an hon. member, and I can close my eyes today and almost think I am still hearing him, but the needle should be changed, because the record is just the same, but the old needle is making it a bit squeaky.

I want to say this, and make it clear to this House and to the people of the province of Ontario, that the hon. member for York South is not speaking for labour, he is expressing his own opinions, and is trying to stir up more trouble in order to capitalize on—and I will not go so far as to say his own

party's aims, because I know men in his party who would not stoop to these activities. He is not speaking for organized labour in that area, he is speaking for the hon. member for York South, and I hope the people of Ontario will realize that is the situation.

MR. MacDONALD: Mr. Chairman, I want among other things, to make a statement with regard to this rather laughable comment which has just been made. I assert this; I am speaking for the Lumber and Sawmill Workers of northern Ontario, and I have communications right here, and there is an addendum on one letter to the effect that, when the hon. member for Kenora stated he had communications from an executive there, they have not a clue as to who the executive is.

MR. WREN: Will the hon. member stake his seat in this House if I cannot produce that?

MR. MacDONALD: All I am stating is that I have right here letters from the president of the lumber and sawmill workers of Ontario.

MR. WREN: I will stake my seat any time the hon. member likes.

MR. MacDONALD: Also, I have direct information from the counsel acting for the Northwest Farm and Forest Products Association. They did not send letters to the hon. member because they knew better.

MR. WREN: I want to assure the hon. members I am not a derailed intellectual trying to make his living. I will fight for labour every chance I get, and I just do not like it when people walk around saying they are representing organized labour. That dispute was amicably settled and the people involved are willing to sit down at the end of April, 1957, and resolve their differences. They have indicated they are ready to do that.

However, in the midst, there are people going around indicating they are speaking for labour. The trade union movement in this country, and province, are not so stupid and ill-informed that they have to have anyone speak for them, they can speak for themselves.

MR. MacDONALD: I just repeat, Mr. Chairman, that in this instance—

MR. STEWART: It is not very cozy today, is it?

MR. MacDONALD: This is very cozy. In this instance, I am speaking on behalf of the lumber and sawmill workers, from whose president I have a communication here. I have communications from one of the counsel involved in the northwestern association, and I just add this one further thought, that before very many months have gone by we will discover whether I can speak on behalf of labour or whether the hon. member for Kenora can.

MR. MALONEY: The hon. member for York South will not be speaking for anyone for very long.

MR. J. SPENCE (Kent East): Are the Ontario provincial police using unmarked cars to patrol our highways at the present time?

HON. MR. ROBERTS: There are a few unmarked cars. I would say approximately 5 per cent. of the number of cars that are in the possession of the police are unmarked. Following that, however, I would say that they are always in uniform when driving.

MR. T. D. THOMAS: Mr. Chairman, in a municipality where the provincial police are operating, of course, on the express wish of the local council, what part of the cost is charged back to the local municipalities?

HON. MR. ROBERTS: Approximately the total cost.

MR. T. D. THOMAS: Thank you.
Vote 214 agreed to.

ESTIMATES, DEPARTMENT OF INSURANCE

On vote 701:

HON. MR. ROBERTS: Mr. Chairman, The Department of Insurance has general jurisdiction over The Insurance Act, The Loan and Trust Corporations Act, The Real Estate and Business Brokers Act, The Credit Unions Act, The Prepaid Hospital and Medical Services Act, The Investment Contracts Act, and The Collection Agencies Act. It is located in the building just opposite Osgoode Hall on Queen Street. There is a total of 56 on the staff, and the estimates speak for themselves.

MR. OLIVER: Mr. Chairman, on this insurance vote, I would like to suggest to the hon. Attorney-General that in this vote, of course, are the provisions whereby The Department of Insurance inspects certain organizations in the province.

Now, one of these was the Ridout Insurance Company. I want to say to the hon. Attorney-General that it looks very much as if the department has fallen down in their proper duty in respect to this particular company.

I cannot conceive of The Department of Insurance making the inspections that they were required and supposed to make, and not determining long before they did, the condition of that particular company. I want to hear the hon. Attorney-General on it for a moment.

HON. MR. ROBERTS: Mr. Chairman, a department of this sort is not staffed with inspectors sufficient to do general auditing at regular intervals of 2,600 brokers. That, I think, is apparent. We just passed the second reading, I believe, of an Act here the other day regarding credit unions, with respect to internal auditing. There is the Ontario

real estate board which, if it does not have discipline over its members, perhaps should obtain a greater discipline as is the case in many other organizations of internal matters.

At best, all that could be done was spot-checking. In this particular case there was a spot-check in 1954, but in the sequence of events, I do not think one would expect a return check again for at least a period of a few years.

However, as the hon. Leader of the Opposition knows, there have been a number of charges laid against one of the officials of this organization, and I do not think perhaps in fairness to him or to the proceedings that we ought to discuss the matter at any length or at any detail in the House, perhaps, at this time.

MR. OLIVER: I think I could make a general observation without offending against the court proceedings.

Under The Department of Insurance there is presumably inspection, and the people are led to believe that they have a measure of protection. According to the hon. Minister this afternoon, that is more or less a myth. There actually is not any substantial protection afforded by the checks conducted by The Department of Insurance.

The hon. Attorney-General says they made a spot-check in 1954. That is 3 years ago. How in the world can the hon. Attorney-General or any one else expect that we are going to keep a proper check on these institutions if we make a spot-check every 3 or 4 years?

HON. MR. ROBERTS: I do not think for a moment that we regard it as the duty of this department to inspect other than spot-checks. One might as well say that we ought to have government inspectors go out and check here, there and everywhere. It is not my conception of the duty at all. It might be necessary to consider whether or not, in the light of a consideration of this sort, the annual return forms need any strengthening or something of that sort. That is being studied at the present time.

But as far as being physically able to spot whether or not the trust account is kept in proper shape for an individual, I do not think that the government could be expected to do that sort of thing. Honesty of the individual must be the governing factor there.

Fortunately it could be said in this case, that none of the people who would have a claim on the trust account as of the time of the bankruptcy will lose any money.

MR. OLIVER: Without prejudicing any one, I want to ask the hon. Attorney-General if in these instances they make other than spot-checks? Are the checks all what he would term spot-checks?

HON. MR. ROBERTS: As far as the government inspectors are concerned, yes.

MR. OLIVER: They all are?

HON. MR. ROBERTS: Yes. The actual auditing of limited companies with shareholders is required under The Corporation Act and other Acts of that sort, and they are responsible to their shareholders, and the shareholders at annual meetings have a statement from the auditor showing what their position is, and there is where the protection lies normally. It is not the function of government.

MR. OLIVER: Will the hon. Attorney-General answer this one further question: is there any requirement in the regulations under the insurance department as to the intervals at which these spot-checks should be made?

HON. MR. ROBERTS: No. There is not even any requirement for it. There is nothing in the statute, as I understand it, or in the regulations that requires an inspection by the inspector or by the registrar.

MR. OLIVER: Well, it is conceivable —

MR. WARDROPE: I think that the income tax branch generally carries out a pretty good spot-check on my business every so often, and that is one, I believe, that the hon. Leader of the Opposition should know about.

MR. OLIVER: I know about that. But I want to ask the hon. Attorney-General this: it is conceivable, then, from what the hon. Minister has said, that these large real estate companies —

HON. MR. ROBERTS: I wonder if the hon. Leader of the Opposition would just let me qualify my answer. I said there are no requirements of that sort, and it is not the practice to do it except where a complaint is lodged.

MR. OLIVER: I want to carry this a little further. Is it conceivable, and I imagine it is true, after the hon. Minister's explanation, that a company with the ramifications of the Ridout Real Estate Company might go for as long as 6, 7 or 10 years, perhaps, without any visit from one of the inspectors?

HON. MR. FROST: Certainly. Why not?

MR. OLIVER: All right.

HON. MR. FROST: May I point out to the hon. Leader of the Opposition, surely he is arguing for the enforcement of law; there ought to be a policeman around to look over everybody's shoulders to see if they are not breaking the law. The argument is so silly.

MR. OLIVER: The argument is not, and the hon. Prime Minister knows it.

HON. MR. FROST: The law is there and there are penalties provided. People who break the law are subject to those penalties, and that is the situation in this case. One could not have an army of inspectors running around, looking at books, and seeing that people are doing the right thing. If they break the law, they are subject to penalties, and that is the way it would have to be done.

MR. OLIVER: Check after the event.

HON. MR. FROST: Why, of course. Can I point out to the hon. Leader of the Opposition that we could not have a policeman standing in front of every bank in Ontario because there is apt to be a holdup or a possibility of a holdup? In most crimes, the check of the police or the investigating officers takes place after the event. I would remind the hon. Leader of the Opposition that about 99.5 per cent. of the people in this province are thoroughly honest people. One cannot have a policeman standing around and seeing that every innocent person is observing the law.

MR. OLIVER: This point remains clear, and it is not silly. I would suggest to the hon. Prime Minister that there is no protection to the people of the province in respect to The Department of Insurance. I believe that up until now, up until what the hon. Attorney-General has said in this House, that there was a well-held belief on the part of the people that there was a real measure of protection afforded by The Department of Insurance because of these institutions. From what has been said this afternoon we lose almost the last vestige of protection. There is none at all.

HON. MR. ROBERTS: There is a bondage protection, to the extent that it is a protection.

MR. WHICHER: Are these real estate operators bonded?

HON. MR. ROBERTS: They are bonded, yes. The extent of the bond is \$1,000.

MR. WHICHER: They are bonded at \$1,000. Well, that is completely laughable. An organization as big as Ridout's should be bonded for \$1 million.

HON. MR. ROBERTS: The bonding would be only for a loss as a result of a fraud. The bonding would not be, if they carry on poor business and lose \$1 million, to help the creditors in any way.

MR. ALLAN GROSSMAN (St. Andrew): Mr. Chairman, I think all this office is concerned with, or should be concerned with, is the protection of the people who place their money in trust with a real estate agent or broker. That is primarily what we are concerned with.

What happens now is a salesman requires a \$500 bond, and, if he becomes a broker, he requires a \$1,000 bond. Now, I would strongly suggest that those limits be increased, that in the first instance the salesman should require perhaps a \$5,000 or \$10,000 bond. Also, a broker should require a like bond for each salesman employed by him, because when the salesman goes out and gets a deposit he places it in the trust account of the broker, and therefore, presumably, if a broker has 100 salesmen he could have deposits on hand from 100 salesmen over which the salesman ceases to have control.

I think it would be quite simple and quite practical, in addition to the salesman requiring a larger bond, for the broker to require a bond in a like amount for each salesman employed by him. I think that would give at least a more desirable amount of protection for the public in respect of money held in trust.

As regards any poor investment and so on, I do not think that particularly at this moment is what the House is concerned with.

MR. WHICHER: I agree very much with what the hon. member for St. Andrew said. However, I want to ask one more question. Is the department, at the present time, investigating any other real estate firms in the Toronto area? I have heard some rumours that several of them are not too financially secure.

HON. MR. ROBERTS: I understand the department has received complaints from time to time, perhaps as many as one a week, and its investigating branch is busy at all times.

MR. MANLEY: How many female brokers have we in the province of Ontario, and what is the regulation in regard to female applications for licences?

HON. MR. ROBERTS: They do not keep separate records of male and female applications and categories of that sort, so that I am not in a position to answer that question at the moment.

MR. MANLEY: Surely the hon. Attorney-General knows whether it is a male or female who holds a brokerage licence?

HON. MR. ROBERTS: There are a number of female brokers, but I do not know what the number is. We have never made a record of that information.

Vote 701 agreed to.

Hon. Mr. Frost moves that the committee do now rise and report certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. C. JANES: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions, moves the adoption of the report, and begs leave to sit again.

Motion agreed to; report adopted.

THIRD READINGS

The following bills were given third reading, upon motions.

Bill No. 11, An Act respecting the Royal Trust Company.

Bill No. 12, An Act respecting the township of Brantford.

Bill No. 19, An Act respecting the board of education for the city of Windsor.

Bill No. 21, An Act respecting the city of Toronto.

Bill No. 26, An Act respecting the township of Etobicoke.

Bill No. 28, An Act respecting the township of Howe Island.

Bill No. 30, An Act respecting the Canadian National Exhibition Association.

Bill No. 32, An Act respecting the municipality of Neebing.

Bill No. 33, An Act respecting the township of Grantham.

Bill No. 34, An Act respecting the township of North York.

Bill No. 35, An Act respecting Sacred Heart College of Sudbury.

THE JUDICATURE ACT

Hon. A. K. Roberts moves second reading of Bill No. 30, "An Act to amend The Judicature Act."

Motion agreed to; second reading of the bill.

THE PROBATION ACT

Hon. Mr. Roberts moves second reading of Bill No. 94, "An Act to amend The Probation Act."

Motion agreed to; second reading of the bill.

THE LAW SOCIETY ACT

Hon. Mr. Roberts moves second reading of Bill No. 95, "An Act to amend The Law Society Act."

Motion agreed to; second reading of the bill.

THE SUMMARY CONVICTIONS ACT

Hon. Mr. Roberts moves second reading of Bill No. 96, "An Act to amend The Summary Convictions Act."

Motion agreed to; second reading of the bill.

THE CHARITIES ACCOUNTING ACT

Hon. Mr. Roberts moves second reading of Bill No. 97, "An Act to amend The Charities Accounting Act."

He said: I will move an amending section later.

Motion agreed to; second reading of the bill.

THE FIRE MARSHALS ACT

Hon. Mr. Roberts moves second reading of Bill No. 104, "An Act to amend The Fire Marshals Act."

Motion agreed to; second reading of the bill.

THE CORONERS ACT

Hon. Mr. Roberts moves second reading of Bill No. 123, "An Act to amend The Coroners Act."

Motion agreed to; second reading of the bill.

THE CROWN WITNESSES ACT

Hon. Mr. Roberts moves second reading of Bill No. 124, "An Act to amend The Crown Witnesses Act."

Motion agreed to; second reading of the bill.

THE CROWN ATTORNEYS ACT

Hon. Mr. Roberts moves second reading of Bill No. 125, "An Act to amend The Crown Attorneys Act."

Motion agreed to; second reading of the bill.

THE SHERIFFS ACT

Hon. Mr. Roberts moves second reading of Bill No. 126, "An Act to amend The Sheriffs Act."

Motion agreed to; second reading of the bill.

THE DOG TAX AND LIVESTOCK PROTECTION ACT

Hon. W. A. Goodfellow moves second reading of Bill No. 121, "An Act to amend The Dog Tax and Livestock Protection Act."

He said: I may say, these are going to be referred to the agricultural committee.

Motion agreed to; second reading of the bill.

THE ADMINISTRATION OF JUSTICE EXPENSES ACT

Hon. Mr. Roberts moves second reading of Bill No. 122, "An Act to amend The Administration of Justice Expenses Act."

Motion agreed to; second reading of the bill.

THE TELEPHONE ACT

Hon. Mr. Goodfellow moves second reading of Bill No. 120, "An Act to amend The Telephone Act, 1954."

Motion agreed to; second reading of the bill.

THE BRUCELLOSIS ACT

Hon. Mr. Goodfellow moves second reading of Bill No. 128, "An Act to amend The Brucellosis Act, 1956."

Motion agreed to; second reading of the bill.

THE HIGHWAY TRAFFIC ACT

Hon. J. N. Allan moves second reading of Bill No. 108, "An Act to amend The Highway Traffic Act."

He said: This will go to the highway safety committee.

MR. OLIVER: Did I hear my friend correctly? Is this going to committee?

HON. MR. FROST: Yes, the highway safety committee.

Motion agreed to; second reading of the bill.

THE OLD AGE ASSISTANCE ACT

Hon. L. P. Cecile moves second reading of Bill No. 105, "An Act to amend The Old Age Assistance Act, 1951."

Motion agreed to; second reading of the bill.

THE DISABLED PERSONS' ALLOWANCES ACT

Hon. Mr. Cecile moves second reading of Bill No. 106, "An Act to amend The Disabled Persons' Allowances Act, 1955."

Motion agreed to; second reading of the bill.

THE BLIND PERSONS' ALLOWANCES ACT

Hon. Mr. Cecile moves second reading of Bill No. 107, "An Act to amend The Blind Persons' Allowances Act, 1951."

Motion agreed to; second reading of the bill.

THE PUBLIC LANDS ACT

Hon. C. Mapledoram moves second reading of Bill No. 116, "An Act to amend The Public Lands Act."

Motion agreed to; second reading of the bill.

THE SURVEYS ACT

Hon. Mr. Mapledoram moves second reading of Bill No. 117, "An Act to amend The Surveys Act."

Motion agreed to; second reading of the bill.

THE MINING ACT

Hon. P. T. Kelly moves second reading of Bill No. 86, "An Act to amend The Mining Act."

MR. OLIVER: Mr. Speaker, I was going to ask the hon. Prime Minister to hold this, because I was going to speak on it, and there is not much time now.

HON. MR. FROST: All right, we will hold it.

THE MOTHERS' AND
DEPENDENT CHILDREN'S
ALLOWANCES ACT

Hon. Mr. Cecile moves second reading of Bill No. 90, intituled "The Mothers'

and Dependent Children's Allowances Act, 1957."

Motion agreed to; second reading of the bill.

HON. MR. FROST: Mr. Speaker, I only have a few moments left, and it certainly is not worthwhile going into committee, so I will move the adjournment of the House. Tomorrow we will take up the estimates of The Department of Municipal Affairs and Bill No. 103, The Unconditional Grants Act, and there may be committee work on the Throne debate.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.00 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Wednesday, March 6, 1957

THE QUEEN'S PRINTER
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1957



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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER
 Roderick Lewis, Q.C., Clerk

WEDNESDAY, MARCH 6, 1957

3 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

MR. R. M. MYERS: Mr. Speaker, I beg leave to present to the House the first report from the standing committee on legal bills and move its adoption.

CLERK OF THE HOUSE: Mr. Myers presents the first report of the standing committee on legal bills as follows:

Your committee begs to report the following bills without amendment:

Bill No. 51, An Act to protect the the interest of the Crown in lands pledged for purposes of bail.

Bill No. 52, An Act to amend The Change of Name Act.

Bill No. 53, An Act to amend The Credit Unions Act, 1953.

Bill No. 54, An Act to amend The Deserted Wives' and Children's Maintenance Act.

Bill No. 56, An Act to amend The Judges' Orders Enforcement Act.

Bill No. 58, An Act to amend The Probation Act.

Bill No. 60, An Act to amend The Survivorship Act.

Bill No. 61, An Act to amend The Unclaimed Articles Act.

Your committee begs to report the following bills with certain amendments:

Bill No. 55, An Act to amend The General Sessions Act.

Bill No. 59, An Act to amend The Real Estate and Business Brokers Act.

Bill No. 74, An Act to amend The Insurance Act.

Motion agreed to.

MR. SPEAKER: Motions.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

Report of the Ontario St. Lawrence Development Commission for the period ended December 31, 1956.

MR. SPEAKER: Introduction of bills.

THE LOCAL IMPROVEMENT ACT

Hon. W. K. Warrender moves first reading of bill intituled, "An Act to amend The Local Improvement Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, there are some small procedural changes and all these bills will go to the committee on municipal law.

THE FIRE GUARDIANS ACT

Hon. Mr. Warrender moves first reading of bill intituled, "An Act to amend The Fire Guardians Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this bill merely extends the period within which no fires may be set in the municipality without permission in writing from the fire guardian.

MR. SPEAKER: Before the orders of the day, I would like to welcome students from Hampton Heights Public School, Hamilton, and from Oak Park Junior High School, East York; and also a group of young people calling themselves the "Palermo Explorers" of The United Church of Canada from Bronte, Ontario. These groups are present to view the proceedings of the House.

HON. L. M. FROST (Prime Minister): Mr. Speaker, it was with very deep regret that I learned this morning in a conversation with the hon. Provincial Treasurer (Mr. Porter) — who is in Ottawa heading a group from this province, negotiating a highly important matter — of the very sudden death of his mother last night. Mrs. Porter was 84 years of age, and a great citizen of this province.

I would like to extend sympathy to the hon. Provincial Treasurer, as well as to his father, Dr. George Porter, and the family.

Mrs. Porter came from a very old Ontario family. As a matter of fact, in the early days, they located in the city of Brantford where Mrs. Porter's forebears founded the Harris portion of the Massey-Harris Company which I think still functions, in part, in that great city of Brantford.

Mrs. Porter and her family were very well known in religious and church circles, particularly in other days before the weight of years began to advance

upon her. She was a social worker of great note in this province.

Her husband was likewise one of those who was deeply interested in the betterment of people. Dr. Porter has been one of the outstanding advocates of an all-out warfare against tuberculosis, and in his advanced years he has been able to see the progress that has been made in the fight against that disease.

It is with very great regret that I make this announcement and this reference here today. We all extend our sympathy to the hon. Provincial Treasurer and to Dr. Porter and his family.

I am going to make this suggestion, Mr. Speaker; the funeral is tomorrow afternoon at 2.30 p.m. from the Walmer Road Baptist Church, and it would seem to me there are many hon. members who would want to attend. If it is acceptable to the House, I would move that the House convene tomorrow at 3.30 p.m., rather than at 3.00 p.m.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I want of course to join with the hon. Prime Minister in extending sympathy to the hon. Provincial Treasurer and to the family in this tragic bereavement which they have suffered. It seems all the more tragic because of the fact that the hon. Provincial Treasurer was in Ottawa, as the hon. Prime Minister has said, on business of the province, and because of this was unable to be where we all know he would want to be — at the bedside of his mother.

The hon. members of the opposition join, Mr. Speaker, with the hon. Prime Minister in offering our sympathy at this time.

MR. D. C. MacDONALD (York South): Mr. Speaker, I would just like to add my expression of sympathy to that of the hon. Prime Minister and the hon. Leader of the Opposition to our hon. Provincial Treasurer and other members of the family on the occasion of this sad bereavement.

Motion agreed to.

MR. SPEAKER: It has just been brought to my attention that we have Mr. Charles VanHorne, a member of the House of Commons for the riding of Madawaska - Restigouche in the House today, and we welcome him to the Ontario Legislature.

MR. MacDONALD: Mr. Speaker, before the orders of the day, may I be permitted to correct a statement which appears in a news story on page 4 of the *Globe and Mail* this morning. It is an error which I must say mystifies me, and I suspect it will mystify the House also. Part of the story reads as follows:

Mr. MacDonald claimed the police had used clubs and billies to disburse the strikers, had ordered pickets home and otherwise interfered unduly with the orderly progress of the strike. The CCF member expressed his approval of this move, but wanted to know what the yardstick was in sending police into such a situation.

I am sure I need say nothing more than that. To all hon. members in the House it was clear I was not expressing approval of that move.

MR. SPEAKER: Orders of the day.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. Janes in the chair.

ESTIMATES, DEPARTMENT OF MUNICIPAL AFFAIRS

HON. W. K. WARRENDER (Minister of Municipal Affairs): Mr. Chairman, before considering the estimates of the department of municipal affairs, I should like to make a few brief remarks.

This being the first opportunity I have had to present the estimates of this department, I wish to pay tribute to my

predecessor, the hon. Minister of Agriculture (Mr. Goodfellow), who, with a wealth of municipal experience behind him, was able to contribute so much in the comparatively short time he served as hon. Minister of Municipal Affairs, and who proved so co-operative during the process of handing over control of the department.

I wish to pay tribute, also, to the hon. Provincial Secretary (Mr. Dunbar), the former Minister of Municipal Affairs. Prior to the appointment of the hon. Mr. Goodfellow, he had been for over 14 years a cabinet Minister and most of those years Minister of Municipal Affairs.

With his long years of service as an hon. member of the Legislature—elected first in 1937 and re-elected at each successive election held since—as a member and as a cabinet Minister, he has been of great value to the government.

His wisdom in dealing with all matters municipal has been invaluable to the department. His judgment was greatly sought by officials of the more than 900 municipalities which have learned to turn to The Department of Municipal Affairs, and found, under his leadership, the expert advice and guidance they needed.

He has indeed set a high standard for his successors.

At this time I wish also to pay tribute to the ability, to the attainments and to the personality of the present Deputy Minister of The Department of Municipal Affairs, Mr. K. Grant Crawford, who was appointed May 22, 1956, to succeed Mr. W. A. Orr, who had been such a tower of strength to the department for many years. Mr. Crawford, after several years of first-hand municipal experience as city clerk of London, became professor of political science and director of the institute of local government at Queen's University. He is also author of several books and pamphlets on municipal affairs.

As I hardly need explain, Mr. Chairman, The Department of Municipal Affairs is pre-eminently what might be

described as a service department. Of course, in one sense every department is a service department, but The Department of Municipal Affairs constructs no buildings, builds no roads, controls no forests, manufactures no vaccine, operates no experimental farms, sends out no geological expeditions.

Yet it is close to the heart of what makes our present world function. It has its fingers on the pulse of democracy — without which our progress would be impeded and less happy. It supplies information, it supplies advice and guidance. While at first glance it might appear to be conducting a dull sort of operation, actually its daily work is varied and interesting, touched with historical romance—the background of early struggles for survival in a strange land.

Born in the depression of the 1930's, The Department of Municipal Affairs was spoken of long before this, and, on its arrival, warmly welcomed.

As municipal affairs grow in complexity, the fund of knowledge and the experience developed in the department have become more and more in demand. At the present time problems involving practically every phase of municipal administration are continually referred to the department for advice and guidance.

Actually there are about 12,000 letters received annually by the department. Most of these are requests for advice on one problem or another, and come from both elected and from appointed officials.

While many of these letters can be answered immediately, others eventually call for consultations and even visits to the municipalities concerned.

I will not take the time to go into the details of the department's organization and operations, but will mention such points as would seem to be of current interest.

Briefly, the department is divided into 4 sections, namely:

1. The municipal administration branch.

2. Municipal auditing and accounting branch.

3. Municipal assessment branch.

4. Main office branch, under which comes the departmental library.

The Minister is charged also with the administration of:

Ontario highway transport board, soon to form part of a new department.

Ontario municipal board.

The Ontario telephone authority, which was thus administered, was transferred to The Department of Agriculture, November 1, 1956.

The municipal administration branch has a list of duties, numbering almost 30, all in connection with the general administration of municipalities and the administration of certain Acts affecting municipalities.

One of its duties is supervision of municipalities. Since 1932, some 39 municipalities other than school boards have been placed under supervision. As of September, 1956, the last of these were released from supervision, namely: Hawkesbury, La Salle, Riverside, Tecumseh, Sandwich East, Sandwich West.

One of the most important responsibilities of the municipal administration branch is the organization of improvement districts. This is becoming of more importance every day.

Ontario is currently enjoying an unprecedented industrial expansion. In the old days word of riches to be had spread rapidly and attracted people of all sorts from all quarters. Overnight a camp was born, and in no time was a roaring town with dazzling lights and gaudy trappings. Too often, this settlement would suddenly fade away and become a ghost town.

It is important to all the citizens of Ontario that the natural resources of the province be not developed in such a haphazard manner. Today, in accordance with the policies of the government, these things are done in a more orderly fashion.

The area in our northland that is attracting large numbers of people bent on wealth is properly organized. It is made into a special kind of municipality known as an improvement district. Under a board of trustees, and under the direction of The Department of Municipal Affairs, the improvement district is developed to the point where it can carry on alone. Then it becomes a regular organized municipality.

Meanwhile, it enjoys the advantages of experienced guidance by the different departments of the government.

Now all this sounds simple, but it represents a very considerable amount of work for the department. Prior to incorporation, visits must be made to the area and other departments of the government consulted. Such details as oaths of allegiance, declarations of office, by-laws, account books and what-have-you, are all prepared by the department. In this way, the municipality is able to operate properly and efficiently from the start.

Since 1943, some 28 improvement districts have been incorporated in connection with the development of our natural resources. For instance, Longlac, Manitouwadge, Marathon, Red Rock and Terrace Bay are based on wood products. Beardmore, Red Lake, Renabie and Balmertown are based on mining. Looking into things to come, Deep River is based on atomic energy.

One of the most recent, the largest and most successful improvement districts is Elliot Lake. Elliot Lake, as I need hardly point out, sits on a \$1 billion deposit of uranium. It has fabulous possibilities. In area, it comprises some 396 square miles — over half again as large as metropolitan Toronto.

What will Elliot Lake be in a few years? No one can tell, but the prospect is that in about 5 years it will become a city of 15,000, and it will be no haphazard development. Elliot Lake will be a city of privately owned homes — with each home set in a lot shaded by graceful trees. There will be at least 6 parks. There will be building and

zoning laws and these will be rigidly enforced. There will be no speculation permitted in building lots.

So there is the picture a few years hence. This is the sort of orderly development planned for improvement districts, and it is the kind that pays dividends for the citizens in the future.

Then there is the municipal auditing and accounting branch. The function is pretty well described by the title. This branch controls and licences municipal auditors and endeavours in a number of ways to improve municipal auditing and accounting practices.

Another branch, the municipal assessment branch, concerns itself with the difficult problems of municipal assessments, giving advice and guidance, on request, to assessors throughout Ontario.

This branch has spent considerable time on the problems of equalized assessment. Most hon. members know about equalized assessment. It is extremely desirable for handling grants, since in no other way can these be distributed equally.

The equalized assessment system has developed in a steady and healthy manner, and the day cannot be far distant when it will have supplanted the older and more irregular methods and be generally acknowledged to be fairer and superior in every way.

Regarding the Ontario municipal board, Mr. Chairman, without going into the operations of this board in the detail it really deserves, I should just like to touch upon two or three aspects which may be of special interest.

During 1956, two new members were appointed: J. A. Kennedy, Q.C., vice-chairman, and V. S. Milburn. In addition to the members and the secretary, the board's staff consists of 30 persons.

During 1956 there were over 3,500 applications before the board. Orders issued amounted to over 5,300.

The department is particularly interested in annexation. During 1956,

there were 29 annexations authorized which reflects to quite a degree the current prosperity and expansion.

The Ontario highway transport board was authorized under The Ontario Highway Transport Board Act, O.S. 1955, and on October 13, 1955, S. H. S. Hughes, Q.C., was appointed as chairman and E. J. Shoniker as vice-chairman.

During 1956, R. H. Yeates was appointed member, being transferred from the Ontario municipal board, and G. C. Marrs, secretary. Early in the year 1957, G. W. Stoddard, former acting judge of the mining court, was appointed member.

The function of this board is to consider applications for public commercial vehicle licences, public vehicle licences and extra-provincial licences, referred to it by the hon. Minister of Highways (Mr. Allan).

In the last year these people have performed valuable services and, as Minister of The Department of Municipal Affairs, I am going to take advantage of my strategic position of the moment, and speak a few words of appreciation of their work.

Established, as I have pointed out, on October 13, 1955, the board lost no time, but immediately plunged into its duties. On October 17th, it held its first sitting for the hearing of applications for public commercial vehicle and public vehicle licences. From that time the board conducted hearings on practically every working day to the end of the year.

At the outset, the board was confronted with considerable arrears of applications, pending before the Ontario municipal board, before the latter's jurisdiction in such matters was transferred. During the last few weeks of 1955, some 425 references of applications were considered by the board. The length of the hearings of each reference varied considerably—extending from a few minutes to several days.

During 1956, the board continued to perform its functions of considering applications for operating licences under The Public Commercial Vehicles Act, The Public Vehicles Act, and The Motor Vehicle Transport Act (Canada) and such other matters in connection with operating licences referred to it for review by the hon. Minister of Highways.

While most of the board's hearings have been conducted at its chambers in Toronto, it has also sat during the past year in such municipalities as Ottawa, London, Sudbury, Port Arthur, and Penetanguishene.

While the arrears of applications confronting the board in November, 1955, have long been disposed of, a considerable number of applications for operating authorities are being constantly received. For this reason the fourth member was added to the board, thus enabling it to sit in two divisions which will result in greater expedition in handling applications.

Back in May, 1956, two changes were made in procedure and a new scale of hearing fees adopted. The effect of the new procedure has been to simplify handling, while the effect of the new scale of hearing fees may be judged by the fact that revenue from this source in 1956 amounted to \$49,082.55. This compares with the amount of \$4,372.60 received as hearing fees by the Ontario municipal board and the Ontario highway transport board in 1955.

And now, as the hon. Prime Minister has recently announced, the details of controlling vehicular operations has assumed such proportions and such importance that the Ontario highway transport board is to be taken away from The Department of Municipal Affairs; it will form part of a separate department.

In view of the splendid work this board has done in the short time it has been in existence, I feel, Mr. Chairman, that its members are to be highly congratulated.

I would like to deal for a moment with grants. A few days ago hon. members listened to the budget speech by the hon. Provincial Treasurer (Mr. Porter), in the course of which he dealt with unconditional grants.

Time did not permit him to deal with this in great detail. He did, however, point out that whereas this year the total of such grants amounted to \$12.7 million, for the coming year this would be increased considerably to a total of \$20.9 million—an increase of \$8.2 million.

Now, since The Department of Municipal Affairs has the responsibility of verifying the populations of the municipalities, and computing the amounts—covering every municipality in the province—I should like to take a few minutes to explain these grants more fully, and interpret them in terms of the municipalities.

The old-time one-mill subsidy inaugurated back in 1937 had serious defects. It was not only uneven, but was unfair to the smaller communities because of their low assessments. Later, many of these smaller municipalities with their volunteer fire and police forces were not able to use the special fire and police grants—then available—as fully as the more populous municipalities.

In view of these inequities, the Ontario government in 1954 caused these two types of grants to be superseded by the unconditional grants. It is interesting to note in passing that the principle of unconditional grants developed by this administration was an innovation to Ontario municipalities, and was introduced at the request of the municipalities themselves.

The basic purpose of this legislation, The Municipal Unconditional Grants Act of 1953, was to assist further each Ontario municipality in providing welfare services, social services, administration of justice and other services for its people. Prior to entering the fields of unconditional grants to municipalities, the government made exhaustive studies both in Canada and the United States.

At that time the basic grant to all municipalities was \$1.50 per capita, to which was added another per capita grant which increased, according to the population, to as much as \$2.50.

Why the sliding scale? Well, because all our extensive investigation and subsequent experience have proved that municipalities with larger populations spend more per capita on municipal services of a welfare nature. For instance, at that time—and I think, Mr. Chairman, that these ratios would still hold today, these expenditures were:

All Ontario cities	\$5.35 per capita
All Ontario towns and villages	\$1.31 per capita
All Ontario townships ..	\$0.88 per capita

Now in case it might appear to hon. members that the larger places get all the breaks, I would hasten to point out that offsetting this, the province's grants for education and municipal roads are weighted heavily in favour of the towns, villages and particularly the rural areas.

Just at this point, Mr. Chairman, I should like to point out that The Department of Municipal Affairs is charged with the duty of administering the Act. This word "administering" sounds innocent enough, but in reality it involves a tremendous amount of detail in respect to this Act in particular.

In the first place, the department must first of all determine the up-to-date populations of all municipalities beyond all argument. Changing boundaries and changing populations since the last census complicate the problem. Last year nearly 200 municipalities were entitled to have their populations increased according to a standard procedure.

Then, on the basis of the population determined, the actual amounts of the grants must be computed for payment.

So much for the unconditional grants as they were first put into operation and which greatly exceeded, in amount, the previous subsidies.

While no system of grants can have all advantages and no drawbacks, it is generally recognized that the uncon-

ditional grants were a great improvement for all Ontario municipalities, both large and small.

However, after carefully studying the situation across the province, the government this year proposes to give further aid to municipalities in the following manner :

First, to assist toward the cost of the administration of justice.

It has been pointed out by various municipalities that the cost of administering justice in this day and age is more of a social service, which is not so much for the benefit of owners of real estate as for the benefit of all citizens and so should be paid for by all.

Recognizing the fairness of this claim, the Ontario government now proposes to bear practically all expense in the form of a grant. The province will pay a basic grant of \$1.00 per person for this purpose to the municipalities in counties.

With the payment of the basic grant of \$1.00 per person, it is proposed to discontinue certain provincial reimbursements which were made to counties in connection with the administration of justice.

The new system will thus render unnecessary a somewhat elaborate book-keeping system. In general, it is expected, the \$1.00 per person will compensate municipalities for these expenses.

Second, the provincial government recognizes the increased expenditures made by the municipalities for social welfare services. For this reason, then, the province proposes to increase the basic grant of \$1.50 per person to \$2.00 per person to all local municipalities — a substantial increase indeed.

Third, in further recognition of municipal expenditures on welfare and social services, the province will continue to pay an additional amount in accordance with the population of the municipality, which amount will range up to \$2.50 per person. The reason for this sliding scale I have already reminded hon. members. It is set out in the schedule embodied as Bill No. 103, which is now before this House.

Keeping these items in mind, it will be seen that to all municipalities that are providing administration of justice services, the province will pay a basic grant of \$3.00 per person, and the amount the municipality receives will range up to \$5.50 according to its size.

Now, Mr. Chairman, this explanation of the increased payments to municipalities is not the whole story.

I should like to stress the fact that these grants are indeed unconditional, and may be used at the discretion of the municipality. If, for instance, the municipality is able to effect savings or economies in the administration of justice, or in social welfare, then the municipality may use such savings to assist in other responsibilities.

Another point, Mr. Chairman, I should like to stress, is the benefit to the home owner and farmer in the proposed system of unconditional grants.

Heretofore, provincial unconditional grants have been applied so as to reduce the general tax rate on all real property. In this way industrial and commercial property have benefited equally with residential and farm property.

But it is common knowledge that owners of industrial and commercial properties have been able to charge their municipal taxes as an expense of doing business, and to deduct them from their taxable income before computing corporation income tax.

On the other hand, the farmer and the taxpayer who owns his own home do not enjoy this advantage. They cannot secure a partial offset or recovery under corporation income tax. To them the cost of the municipal property tax is a net cost.

So, under these conditions, it is no wonder that the residential and farm taxpayers — if I may use the term — considered that they were in an unfair position — were “the goat”, to use a common expression.

The province sees much merit in this plea, and in consequence has arranged the payment of unconditional grants in

a manner to give them considerable advantage. In future it is proposed to apply these unconditional grants to the benefit of residential and farm taxpayers only.

In computing the tax rate, the council of the municipality will strike its general rate for *all* property. Its unconditional grant from the province will then be calculated as a reduction in the mill rate on residential and farm property only.

Thus, according to the proposed system of unconditional grants, not only will the municipalities as a whole benefit to the extent of over \$8 million, but residential and farm property owners as individuals will receive a substantial reduction in taxes.

When preparing estimates for 1957, the municipalities should not take the unconditional grant into consideration when determining the tax requirement for the general purposes of the municipality as a whole. The resulting rate should be applied to all properties on which business tax is based and on the business assessment.

The amount of taxes required of the remaining property in the municipality, which is for the most part residential and farm properties, should be reduced by the total amount of the unconditional grant and the net amount resulting therefrom, which is considerably reduced, will be levied on these properties.

In closing, Mr. Chairman, I should like to pay tribute to the individual members of the staff of my department. Without their technical knowledge, loyalty and unselfish devotion to duty, the department could not function and I am not unmindful of this fact.

HON. LESLIE M. FROST (Prime Minister): May I interject this at this moment: I am glad to advise the House that an agreement has been reached in Ottawa, not covering the broad question of hospital insurance, which goes further than the agreement in principle which has been discussed. We submitted an agreement prepared by our solicitors, which I understand has been accepted.

The principal point in the matter concerned involved "universal availability." I should not say it was a matter of interpreting the words "universal availability", because I do not think they required any interpretation. I have always felt these words were perfectly clear insofar as the English language is concerned.

There has been an agreement that Ontario's interpretation contained in its proposal has been accepted, and, therefore, an agreement which will be signed, I presume, before the end of this month is now an actuality.

In connection with the matter which has been discussed in the press this morning, that is a condition, of course, that must be left over, that of the 6 provinces and the time of the commencement of federal payments. This phase was not the subject matter of the discussion at Ottawa today.

I would say that the great objective of an agreement in detail on the principles that have been advanced is an actuality as I understand it from my conversation with the hon. Provincial Treasurer and from what I am now advised.

On vote 1,201:

MR. T. D. THOMAS (Oshawa): Mr. Chairman, there are one or two general remarks I would like to make in respect of the unconditional grants. I, for one, am very glad to know that the hon. Minister is now in a position to make some definite statement respecting the unconditional grants. It has been long delayed, for in the speech of the hon. Provincial Treasurer, when referring to the unconditional grants, he had this to say:

To meet this situation, the province's unconditional grants will be applied to benefit residential and farm taxpayers only.

That was very definite, I think. There should be no confusion outside about that, and yet there was, and when

I told the local people that it meant exactly what the hon. Provincial Treasurer had said, that the unconditional grants, the 3 of them, should be put to the credit of farm and residential taxpayers, they raised some doubt in my mind.

A week ago Tuesday, before the orders of the day, I raised this question with the hon. Minister, and his reply was very definite on that occasion. To my question as to how the 3 grants would be spent, his answer is a definite yes; there was no doubt about that.

I told the people in Oshawa that that was the reply of the hon. Minister, and it was all cleared for action and they could go ahead, but lo and behold they received a telegram from the hon. Minister last Thursday, and this is the telegram:

METHOD OF LEVYING 1957 TAXES CHANGED. INADVISABLE TO STRIKE TAX RATE UNTIL THIS DEPARTMENT ADVISES ON AMENDMENTS AND GRANTS. ADVICE FOLLOWS SHORTLY.

On Monday afternoon they telephoned The Department of Municipal Affairs, and still no information was available. It is two weeks ago tomorrow since the budget of the hon. Provincial Treasurer was brought down, and surely the contents of the budget were not that secretive that The Department of Municipal Affairs did not know what the grants were to be.

The whole situation is ridiculous, because it has cost the city of Oshawa \$1,500 in bank interest for every week's delay, and, therefore, I think one should be very critical of the conduct of the department. Surely they knew two weeks ago what the grants were likely to be.

The hon. Minister, during the course of his remarks, said there were some administrative difficulties, and one he mentioned was the increase in population. I would suggest that has no bearing on it at all. It will in the eventual amount to be paid, of course, but that

would not stop at any time a definite statement being made by the hon. Minister on the unconditional grants.

HON. MR. FROST: Mr. Chairman, may I say to the hon. member, because I think in the absence of the hon. Minister I had something to do with that particular telegram both to the municipalities and to the counties, that I think the situation is this:

This week we aim at obtaining the approval of the House for the grants in the new unconditional grants bill, and for the new grants which are proposed by The Department of Education. I point out to the hon. member that the problem was this:

I think the hon. member understood quite clearly from the budget what had taken place, but those who did not hear this have to be advised. Remember, there are over 1,000 municipal clerks and treasurers, and there are probably more than that insofar as clerks and treasurers of school boards are concerned.

In the city of Oshawa, actually there are 4 rates instead of the present 2. At the present time there are rates applying to separate and public school supporters. Now there will be 4 rates: there are residential rates and industrial rates.

In discussing that with some of the treasurers, they felt it was desirable that there should not be any misunderstanding. If a rate were struck by a municipality before this matter was clarified and understood, there might be some confusion.

The terms of the bill in applying the money have to be followed. This money has to be applied on the residential and farm assessments. I think the hon. Minister will agree that it is not a matter of great difficulty, but is a matter of seeing these assessments are properly made in the province.

With the explanations of this legislation today and tomorrow, I think it is possible to give to all the municipal

clerks and treasurers the information which will be necessary across the province to see there is an even application of this matter.

MR. T. D. THOMAS: Would the hon. Prime Minister agree with me that if the information had been given to The Department of Municipal Affairs there would have been no need for this delay of 10 days?

HON. MR. FROST: Well, we do not like to seize the authority.

MR. T. D. THOMAS: Well, be fair to the people outside who have to pay the interest rates.

HON. MR. WARRENDER: Mr. Chairman, I do not think there was any confusion at all about what classes of tax were going to what people. It was made clear in the hon. Provincial Treasurer's remarks and I thought I made it clear. The municipal clerks and treasurers did not know just how to go about the mechanics of this thing.

In the meantime, the department has been losing no time; we are getting certain information ready, which will be sent out to the clerks and treasurers of every municipality in the province explaining the mechanics of applying this new system.

When the hon. member says it has been a waste of time, I assure him it has not. Before, this used to be statutory, and now it is being voted on, and we could not go ahead too quickly. There is certain legislation which has to have second committee reading and also the third reading before it can be finalized.

MR. P. MANLEY (Stormont): On item 4, commissions and investigations; does that apply to the provincial-municipal committee of which the late hon. member for York West (Mr. Brandon) was chairman? Has there been another chairman appointed to that committee, and would the hon. Minister give us an

outline of the activities of that particular committee, or what they are doing at the present time?

HON. MR. WARRENDER: Mr. Chairman, it does apply to what is called the municipal advisory committee. That is the committee of which the late Elmer Brandon was chairman, and since his passing we have had a resignation due to the fact that a member resigned when he became the Deputy Minister.

We had another resignation, Mr. Eric Hardy — who was a member of the committee — because of pressure of business. Mr. Hardy made it clear he would be available to give advice to the committee and act in a consulting capacity and assist with his services.

As to what the committee is doing right now, the answer is "nothing." The reason for that is that as yet we have not agreed upon a chairman to succeed the late Elmer Brandon, although I have made recommendations to the cabinet, and I think they will be finalized in the near future.

During the past years, it has been quite active, 22 meetings in all; and matters referred to them by the hon. Minister and the administrative staff of the department were discussed. These men are experienced in their respective fields and, when matters are referred to them because of their experience, they are able to give excellent guidance and assistance to me and also to the staff.

MR. MANLEY: Who is advising the hon. Minister at the present time?

HON. MR. WARRENDER: The Deputy Minister and his staff.

MR. T. D. THOMAS: Mr. Chairman, in regard to that committee, did they make any recommendations to the department at all, and would the recommendations be available to the hon. members of the opposition?

HON. MR. WARRENDER: There were many recommendations made to the department and many were acted

upon. I cannot give details, but I can get the information for the hon. member.

MR. MANLEY: Are we going to have a committee such as this set up again? If it is so necessary to have those men advise the hon. Minister, is it the intention of the department to set up a committee somewhat like that, or what kind of a committee is to be set up? The estimate is here for these particular needs, and I think the hon. Minister should explain to the House what he proposes to do in regard to a committee.

HON. MR. WARRENDER: Actually it is not going to be set up again; it is going to be continued, because we do not feel it has been discontinued. I admit there has been a lull because of the vacancies in the board, but it is going to function again. The members who are still there have offered to continue with their services and we will avail ourselves of their advice.

MR. J. J. WINTERMEYER (Waterloo North): Is it the hon. Minister's intention that the continuing committee's report will be available to this House before any action is taken on the recommendation?

HON. MR. WARRENDER: Well, they are set up primarily to be advisory to the Minister.

MR. WINTERMEYER: To the hon. Minister or this House?

HON. MR. WARRENDER: To the Minister. That was the original purpose, and the members of the staff have referred questions to them and they would consider them, and bring in recommendations to the Minister.

MR. WINTERMEYER: I think that is a very serious matter because I was always under the impression that the committee was intended to be an advisory committee for this House and to report back to this House.

HON. MR. WARRENDER: That was not the prime purpose. I was not there when it was originally set up, but I understand the prime purpose of the committee was to be advisory to the Minister himself, but it has been used for other purposes — as I say, to help members of our staff on certain questions.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Chairman, may I ask how many are left of this important board now?

HON. MR. WARRENDER: There are now 4.

MR. OLIVER: Three gone and 4 left?

HON. MR. WARRENDER: Yes, and I have made two recommendations to the cabinet which I think will be approved in the near future. I have another person in mind to fill the third spot.

MR. MANLEY: They are hand picked by the hon. Minister, are they?

HON. MR. WARRENDER: I would say they are recommended on the advice of staff. I have already asked the Deputy Minister for competent men in different parts of the province to fit in on this committee.

MR. OLIVER: I was just going to ask the hon. Minister a question. He has said a number of times that this committee acts upon suggestions from the hon. Minister, and I am presuming that that is their function; that propositions are put to them by the hon. Minister and they are asked to report back to him as to their findings in respect thereto. They are not in effect a body which initiates recommendations of their own?

HON. MR. WARRENDER: They can and they have.

MR. OLIVER: To what extent do they do that?

HON. MR. WARRENDER: I cannot answer that. As I say, I came in on November 1st of last year and I cannot tell the hon. member. The original set-up was to advise the Minister, but they could, if they wished, initiate suggestions or bring in suggestions that would be of interest to the Minister.

MR. OLIVER: Can the hon. Minister remember one thing they brought in?

HON. MR. WARRENDER: They made recommendations, I am advised, in respect of The Assessment Act, and I can get further details for the hon. Leader of the Opposition if he wishes them. I am giving the information of my predecessor who told me when I took over as his successor that they had been helpful to him and I am now carrying it on.

MR. T. D. THOMAS: I think they made an interim report in 1954, but we have heard nothing from them since that time.

HON. MR. WARRENDER: That was the old committee under Mr. Chater. That is a different committee altogether. This was set up following that.

MR. WINTERMEYER: Mr. Chairman, I would like to follow along with my question a little further. Does the hon. Minister think it is a desirable way of accumulating information to have a committee which is represented in part by an hon. member or more of this House, and other experts who report directly to the hon. Minister for his edification and assistance; with no opportunity on the part of the opposition and other hon. members of this House to discuss the recommendations and consider them before they are brought in as part of government policy?

HON. MR. WARRENDER: The answer to that is "Yes." I think this committee can make a great contribution after hearing the representations of assessors, clerks, and treasurers who geographically represent this province. They have the power to call persons before them. I do not mean like an enquiry, but they request persons to come before them, who can furnish them with advice.

The hon. member has asked me, and I am saying the former hon. Minister of this department found it helpful and I think I am also going to find it helpful. I am going to carry it on and see what they can do for me and for the department.

MR. WINTERMEYER: The hon. Minister misunderstands my question. I have no doubt in my mind that these gentlemen will be of great assistance to the hon. Minister. They are experts in the field.

But he is using public monies to advise the government in power as to what suggested changes should come about without any opportunity on the part of the opposition and other hon. members in this House to participate in the discussion and enlightenment of that scientific information.

To exemplify my point; surely the government would not suggest public money should be used to call a meeting of all the mayors of the province and that these mayors assemble in the hon. Minister's office, discuss their problems, and pass on their suggestions to him, and as a result of that, he brings in recommendations to this House? I think that would be wholly contrary to our normal concept of democratic government.

HON. MR. WARRENDER: I do not think so, Mr. Chairman. Here is a committee which has been set up to assist the Minister to help his department, and to initiate ideas which may be helpful. So far as the expenditure of public money is concerned, this is money well spent, because these people may

come up with ideas which will be helpful to the government and possibly save the taxpayers' money.

MR. WINTERMEYER: The government in power.

HON. MR. WARRENDER: I cannot understand the principle about which the hon. member is worried.

MR. WINTERMEYER: Well, last year we spent \$35,000 and this year \$25,000 for an accumulation of knowledge and that is a good thing. I agree with the hon. Minister to that extent.

But the government is perpetuating or, shall we say, is monopolizing a source of knowledge that should be made available to all hon. members of this House. I am sure there are excellent ideas which have come to the attention of this committee about which the hon. members would like to know. Very frankly, I would think if this is to be a committee, it should be a public committee. Everyone who is interested should have an opportunity to appear and drink of the knowledge which is presented.

HON. MR. WARRENDER: I am advised that last year the total expenditure of this committee was \$2,290.

MR. WHICHER: That is not a great expenditure for these experts.

HON. MR. WARRENDER: They met infrequently and I hope this year they will meet more frequently.

MR. WHICHER: How did the hon. Minister get along without them?

MR. WINTERMEYER: Mr. Speaker, did the hon. Minister say he budgeted for more than that? Was that the budget—\$35,000?

HON. MR. WARRENDER: Yes.

MR. WINTERMEYER: The budget last year was \$35,000, and the

hon. Minister says he did appreciate the work and the effort of the committee. This year he is asking for \$25,000, which is far in excess of the amount he is likely to spend if he continues the normal work of that committee as it was carried out last year.

HON. MR. WARRENDER: I sincerely hope the committee will function more often than last year. I am sure the assistance of the committee will be very beneficial to us.

The hon. member made a point as to whether or not the information given to the committee, or their recommendations should be handed to all hon. members of the House—is that the point?

MR. WINTERMEYER: That is my basic point.

HON. MR. WARRENDER: Mr. Chairman, I feel it is up to the government to reject or accept the recommendations. If the recommendations are accepted, they will appear before this House in the form of legislation, and then the hon. members have the opportunity of passing on them if they so desire.

MR. D. C. MacDONALD (York South): It is just possible the hon. members of the opposition have information with which they might be able to persuade the government, by dint of their knowledge and the pooling of the thing, before the government turns it down.

AN HON. MEMBER: The hon. member for York South would persuade the government to vote against it.

MR. OLIVER: Mr. Chairman, the question raised by the hon. member for Waterloo North has brought out a very deep-seated objection to the composition of the structure of this committee. This committee was not appointed by the Legislature; it is not required to report back to the Legislature. It is simply an advisory committee to the hon. Minister.

The hon. Minister can, and does, refer matters to the committee. They will pronounce upon those matters that are referred to them by the hon. Minister.

Now, a committee which would be worthwhile is one appointed by the Legislature and required to report back to the Legislature. The sort of vehicle which has been set up by the hon. Minister is simply an excuse, and when he is confronted with the argument there should be a committee, a real committee, to examine into provincial-municipal matters, he is always able to say, as he has said repeatedly, "We have an advisory committee; we have such a committee doing the work which hon. members contemplate this committee should do."

I suggest that these two committees are as different as daylight and dark. One would be a committee of the Legislature to which all interested persons would have access, and have an opportunity to make representations, and those findings would be public. They would be presented to the Legislature in the form of a report.

What goes on in the darkened room in which the hon. Minister's committee sits, nobody knows but himself, and that is not of much value to the province of Ontario, which is anxiously seeking and is entitled, I suggest, to a thorough examination of our whole provincial-municipal set-up.

HON. MR. WARRENDER: Of course, the committee to which the hon. Leader of the Opposition refers is a very different type of committee from this.

MR. OLIVER: I will say it is.

HON. MR. WARRENDER: This was set up by my predecessor, who said he found it beneficial. They were told that they will not only deal with matters referred by the hon. Minister or Deputy Minister, but they have also been instructed they can initiate matters which they feel will be helpful to the depart-

ment. If they have such ideas, we want to hear about them, and it is in that sphere their functioning will be helpful to the hon. Minister and the province.

MR. MacDONALD: Everything the hon. Minister has said has not dispelled the basic misconception, or informed the public, of what the function of this committee will be. I do not think it is a vehicle, as the hon. Leader of the Opposition described it; I think it is a spare tire on the existing vehicle; a fifth wheel to the carriage. The hon. Minister states in the absence of this committee the Deputy Minister and experts in the department are advising him.

What exactly does this committee do which the department should not be doing or cannot do?

HON. MR. WARRENDER: The Deputy Minister and his staff are constantly advising the Minister. This is a committee which will be set up by the Minister to which would be referred many questions, and many were referred. I will be glad to get those questions which were referred, as a sample, and bring them before the House, and let the hon. members see what they deal with. I would also be glad to show what kind of matter is referred, and what action has been taken.

This committee can perform a very useful function. Although I really have not the authority to state this at this time, I am considering the setting up of a committee to advise on amendments or a complete revision of The Municipal Act and The Assessment Act, The Local Improvement Act or any other Act which comes under the jurisdiction of this department.

It seems to me this committee might take one of these Acts, consider the fundamentals, say of The Assessment Act as an example, and advise the Minister how it might be brought up to date, especially in respect to business assessment features of that Act.

That is one thing they could do for the department. They could also, in-

directly, assist the hon. members of this House in finding the answers to this difficult problem.

MR. OLIVER: The hon. Minister is quite aware of the limitations of a committee of this character. I would like to ask the hon. Minister if he feels that good would flow from the appointment of a select committee which would hold public hearings and examine thoroughly into the whole provincial-municipal set-up?

HON. MR. WARRENDER: I think not.

MR. OLIVER: The hon. Minister thinks not?

HON. MR. WARRENDER: I think not, and for this reason: there are representations made to the department from all of the large organizations, including the Ontario municipal association, the association of mayors and reeves, the rural municipalities association. Officials of these organizations desire to come in and express their ideas. Many of those ideas are accepted and will find their way into legislation at this session before we prorogue. I say they are performing a very helpful service in that way.

If these representations made by the larger organizations want further clarification, they could submit their problems to this committee, and see how they react, and in that way analyze it further. The expert opinion they would be able to contribute on these subjects would further assist the Minister in making up his mind as to what he should recommend to the government.

MR. OLIVER: I am puzzled at the hon. Minister's answer to the question I put to him. He suggests, in his judgment, no good would flow from an appointment of a select committee. We have had select committees in here dealing with The Department of Reform Institutions, dealing with certain aspects of The Department of Highways and its problems, and I do not see how the hon.

Minister can say so emphatically, as he has just said, that no good would flow from the work of this committee.

If there are problems in this province which should engage the attention of a select committee of this Legislature, it is certainly the problems which exist between the province and the municipalities. If we needed a select committee for The Department of Reform Institutions and for The Department of Highways, then we need it 10 times more for The Department of Municipal Affairs.

HON. MR. FROST: May I say to the hon. Leader of the Opposition, there is nothing remarkable about this procedure. It is a very useful procedure.

For example, let us take another committee which now, for some 3 years, has been engaged in the work of trying to find a method to bring into effect in Ontario a system of hospital insurance. Some day, there may be written up the changes in thinking on the part of various persons in the consideration of that problem.

MR. MacDONALD: There are big changes.

HON. MR. FROST: It is, of course, an enormous job, I assure the hon. Leader of the Opposition, for those who have been engaged on it, and others like myself, who do not profess to be experts, there have been changes of thought on the part of all of us in connection with this problem.

If the proceedings of that committee were made public, and different members of the committee had made declarations on certain points, they would, shortly, find themselves in a very difficult position. I think the hon. Leader of the Opposition would agree with that.

As it is, the method followed has allowed consideration, in some cases by trial and error, until the right solution is found.

I would say that is also true in connection with municipal matters. I think the hon. Leader of the Opposition would

also agree that it would be almost impossible for any committee to investigate the effects of the various municipal statutes, and the requirements necessary to meet the municipal problems.

MR. OLIVER: Not at all.

HON. MR. FROST: The hon. Leader of the Opposition will remember there was a Royal commission here on education. The hon. Leader of the Opposition was not a member of that committee, but, nevertheless, he said its deliberations gave him a "pain in the neck." That was investigating one angle of the municipal problem as it related to education.

If the deliberation of that Royal commission, which was a very able committee, would bring those dire consequences to the hon. Leader of the Opposition, what would happen if one gave all of the problems of the municipalities to a committee?

The sensible way to do it is to have a committee to discuss those problems specifically, and to try and find solutions. There is no use taking a member of the committee and putting him on the spot and in a position where he must say yes or no. One never arrives at a conclusion on involved matters in that way. One must have a committee so there can be an exchange of views and finally, almost invariably, they will come up with the right answer.

I think we can come to this conclusion: it is utterly and completely impossible for anybody or any committee to come up with a solution to the problems of our municipalities in any stated period of time.

I say to the hon. Leader of the Opposition that is also positively true in connection with federal-provincial relations. These matters are never settled; they are progressive. They run through a period of time. My experience in these conferences, in most cases, has been that more solutions are arrived at when the committee is sitting in camera than when sitting publicly. The minute it

is sitting in public, then there are differences of points of view which are aggravated, but when sitting in camera, very often, points of view on which there are differences are aired and very forcefully aired, and in the end there is a disposition, and an attempt to arrive at a settlement.

Sometimes these settlements are brought about by changes in the process of thinking of people — the acceptance that, perhaps, a dogmatic point of view is wrong, and some other point of view is right.

I would say that is the method of operation of this committee, which is made up of persons who are closely connected with the municipal problems. I think from it, worth will come.

The hon. Leader of the Opposition will agree it is a more desirable way of dealing with the matter than trying to take all of these problems of the municipalities and give them to a committee. I think he will agree that is an impossible task.

MR. OLIVER: If the hon. Prime Minister thinks I agree with the deduction that he is making, he is quite badly mistaken. I do not believe for one moment, Mr. Chairman, that the problem of revising The Assessment Act and The Municipal Act is too big a job for a select committee of this Legislature. There will not be anything final about the legislation. There never is about legislation. It has to be revamped and brought up to date from time to time.

Our Assessment and Municipal Acts are shopworn and outdated so completely that, at the present time, one does not know the whole cloth from the patches.

For the hon. Prime Minister to rise in this House and say that a select committee of the hon. members of this Legislature is not competent to deal with the revisions which are constantly required in this matter, to me borders on being ridiculous.

HON. MR. FROST: Well, I have endeavoured to persuade the hon. Leader of the Opposition for years and I have been unsuccessful with him.

MR. R. WHICHER (Bruce): Mr. Chairman, item No. 9, payments towards cost of county and district assessors, \$57,000.

I am not questioning the amount at all, but I would like the answer to this: just what percentage do they pay county assessors? Furthermore, in the estimates of the hon. Minister this afternoon, "equalized assessment" was mentioned. I believe it is coming into being in this province in 1958.

I would like the hon. Minister to elaborate slightly on that and tell me how it could possibly be an actuality by that time.

HON. MR. WARRENDER: Mr. Chairman, we now have county assessors in 33 counties. There are only 5 counties, I understand, which do not have county assessors, and to each county which has its assessor there is a grant made of \$1,500.

The purpose of having a county assessor is to encourage those counties to have an equalized assessment within their own boundaries, and it is one more step in reaching that objective we hope to attain, and that is, complete equalization right across the province.

MR. WHICHER: Well, when does the hon. Minister hope to get that equalization?

HON. MR. WARRENDER: Our department at this time is working on that, and we hope to have the final answer, I understand, in a very short time, and we should be able to put it into effect by this fall. My adviser tells me that we have at the present time equalization factors for all the municipalities.

MR. WHICHER: Is the department using them, then, for grant purposes?

HON. MR. WARRENDER: We are not using them this year for grant purposes. It is in education, I am told, where the equalization factors will be used.

MR. WHICHER: I wonder if the hon. Minister's advisers could tell me, in comparing the counties of Grey and Bruce, if any equalization factor has been taken which is any different from last year, because one has been equalized on a 100 per cent. basis and the other has not.

I agree with the hon. Minister and the former hon. Minister and the hon. Prime Minister, who have said on many occasions that the only fair basis for this grant is on an equalized basis; but if they think it is equalized now, they do not know what they are talking about.

HON. MR. WARRENDER: Is the hon. member speaking of local equalization or the provincial equalization?

MR. WHICHER: I am speaking of provincial equalization. I would like to know about those two counties.

HON. MR. WARRENDER: No, it has not been applied, but it will be applied in the grants that come next year.

MR. WHICHER: I understood the hon. Minister to say it was being applied this year as far as education grants.

HON. MR. WARRENDER: No, I am sorry.

MR. WHICHER: But they will be applied next year.

HON. MR. FROST: The hon. member should wait and see how the 3-year plan works.

MR. WHICHER: I want to see how it can be applied next year, because to reassess any county is a matter of a 5-year period, and the hon. Minister

claims he is going to do it all by next year. I wish the hon. Minister the very best of luck in his endeavours.

HON. MR. WARRENDER: I thank the hon. member very much.

MR. T. D. THOMAS: In answer to that question, the hon. Minister has said there are now 33 county assessors. Last year we had 30. That means, of course, there are 3 more counties now with county assessors; but there are still 5 without county assessors because there are 38 counties in the province of Ontario.

How can the hon. Minister stand up and say by the fall they will all be under the county assessment? How can he do that?

HON. MR. WARRENDER: The hon. member misunderstood me. I was speaking of county assessors, and there are 33 counties which now have county assessors. There are 5 more which we hope will come into the field in this fiscal year.

But that has nothing to do with the other question. We are talking about this equalization factor. That is on a provincial level. That is, the county assessment is being done, where the county assessor helps all the local assessors within that given county to get their assessment equalized within that region.

MR. T. D. THOMAS: Further to that question, Mr. Chairman, if the hon. Minister is going to put them on a provincial basis for assessment, the only way he can do that is by sending into the area provincial assessors to take spot-checks. They have done that in Oshawa. They have gone there and have taken 4 assessments around the city. I assume they would be residential, business and commercial.

But does the hon. Minister think it is a fair basis of assessment to go into a city where there is a population of 50,000 people and take 4 properties and

then say that is the yardstick we are going to apply to that municipality? How are they going to get any fairness in a thing like that?

HON. MR. WARRENDER: I do not know that that is being done. I understand the assessors are going around and making spot-checks all over the province. Whether they take 4 or 400, I cannot tell the hon. member.

MR. T. D. THOMAS: They have taken 4 down there.

HON. MR. WARRENDER: They may have taken more without the hon. member's knowledge. It seems to me they take enough sampling in each municipality in order to arrive at what is fair.

MR. T. D. THOMAS: Mr. Chairman, a spot-check implies just a small number. Does the hon. Minister think that a spot-check assessment is a fair and proper method?

HON. MR. WARRENDER: I am advised that in no case do they take less than 20 in order to arrive at what they think is representative of that particular county.

MR. T. D. THOMAS: Even if they took 20 in the city of Toronto, would that be fair?

HON. MR. WARRENDER: I am advised they take no less than 20. I would say in a small municipality they would take 20. There would be a sampling of the residential, commercial and industrial areas. That would give them some fair idea in comparing them with buildings, structures and residences in other areas in order for those men who are supposed to be experts in the field to arrive at what might be considered a reasonable answer.

MR. WHICHER: Does not the hon. Minister think it would be far more advisable to put out a manual that had some sense of application to it, as far

as assessing in the province of Ontario is concerned? The department puts out a manual now that is strictly suggestive, and it definitely states in it that it is not necessary that the county assessors or the municipal assessors stick to that manual.

Why not divide this province into areas? I realize that Toronto cannot be assessed in the same manner as a rural municipality. Why not divide the province into areas and then bring out a manual so that we know where we stand, because at the present time the assessing in this province is completely different from one county to another.

HON. MR. WARRENDER: I am advised that there are now 600 out of 973 municipalities using the manual.

MR. WHICHER: Yes, but they do not use it.

HON. MR. WARRENDER: I think it is working very well. It is understandable, however, that assessors interpret certain regulations laid down in the manual differently; but there cannot be too broad a spread, because as I understand it, it is working out quite well, at least with those who are following the manual.

I cannot answer for the 373 who are not, but they are being encouraged to use the manual, so that everybody, eventually, will be using a common yardstick.

MR. WHICHER: Does the hon. Minister think this is a good idea? An area is assessed according to the manual, and the assessment comes to a certain figure, and then, in order to get provincial grants, the authorities cut everybody down by 30 per cent. and take only a 70 per cent. assessment based on the manual. Does the hon. Minister think that is a good way of doing things, and does his department think that such actions are just and legitimate?

HON. MR. WARRENDER: All of that reckoning which has been done will be cast aside when we come out with this new formula next year.

HON. MR. FROST: May I point out to the hon. member that he seems to be in obvious difficulty in this matter. We have had great arguments advanced concerning municipal autonomy in this province from the various municipalities and organizations. It is difficult for any government to go in and say that they must do so-and-so.

But I would say that, once there is an equalized basis used for giving grants, then all of the risk will be gone from the type of thing which is going on at the present time.

What the hon. member mentions in connection with various counties is happening within counties now with their county equalizations. Municipalities are perhaps attempting to cut down their total assessment in some cases, because of the effect which that bears, or the part which it bears, in connection with the distribution of the county taxes. That is an old situation.

There are many hon. members here who have served on county councils, and they know that is done, and I would say that one of the principal reasons why it is done is that grants are involved.

If there is an equalized basis arrived at, of course, I think the whole tendency on the part of the municipalities will be then to have an assessment on the basis of the manual at a common level, and if 90 per cent. is the amount, then 90 per cent. would be for all over the province.

MR. WHICHER: Why does this government not make it obligatory to use the manual?

HON. MR. FROST: I would say to the hon. member it is easy to say "make it obligatory," but then we start to interfere with municipal autonomy and that, of course, creates embarrassment. There is a viewpoint very rapidly developing in the province for a common assessment. I was quite interested in the briefs from the federation of agriculture and many other organizations on that point. I think we are very rapidly approaching that point, and with equalization of

assessment, we can make it mandatory across the province and there will not be any difficulty.

MR. WINTERMEYER: May I ask what the 1954 manual is based on?

HON. MR. WARRENDER: I could not say, Mr. Chairman, what the basis is.

MR. WINTERMEYER: I understand from the local assessor it was based on the 1940 cost of the property.

HON. MR. WARRENDER: That may be, but I cannot vouch for that.

MR. WINTERMEYER: But the hon. Minister feels that the 1954 manual is proper for that?

HON. MR. WARRENDER: I could not answer that question.

MR. T. D. THOMAS: Mr. Chairman, could not the Deputy Minister answer that? If we cannot get that information, we might just as well throw the manual out the window.

HON. MR. WARRENDER: I think the point is, if they all use the same basis for reckoning, they are all in the same relative position.

MR. WHICHER: We do not all use the same basis, because the hon. Minister does not insist we do. That is the point.

HON. MR. WARRENDER: That is getting into the obligatory feature again. Would my hon. friend want to make that compulsory throughout the province?

MR. WHICHER: I would say we should have a common yardstick of assessment throughout the whole province, and furthermore, the hon. Minister said we are going to have it.

HON. MR. WARRENDER: No. The hon. member says he would make that compulsory, would he not?

MR. T. D. THOMAS: I would say if the book is not made compulsory, we might as well throw it away.

MR. WHICHER: How can the grant be based on it if it is not made compulsory?

MR. MacDONALD: It is necessary to use a little bit of political courage here.

MR. WINTERMEYER: It does not seem proper that the 1954 building cost is based on that. With these new regulations coming in, what basis is the hon. Minister going to use to arrive at their assessment? What year is he going to arrive at, say 1950 or 1952 building costs?

HON. MR. WARRENDER: I cannot answer that question. Is the hon. member speaking about what would happen next year?

MR. WINTERMEYER: Yes.

HON. MR. WARRENDER: I cannot divulge that at this time.

MR. OLIVER: The hon. Minister does not know what is happening now, and he does not know what will happen next year.

HON. MR. WARRENDER: I know what is happening now.

MR. OLIVER: What is it?

HON. MR. WARRENDER: I said the manual is spread around 650 municipalities which are using it, and my advice is, it is working very well. I must admit there would be other assessors who would use their own yardstick for figuring things out, but I cannot help that. But I say to hon. members, when the time comes, when this new formula is worked out, they will all be in the same equal position and all will be treated fairly.

MR. WHICHER: Mr. Chairman, would the hon. Minister care to say anything about this: one of the basic principles of an individual being assessed is that he always has the right to appeal, and the townships or the various municipalities have the right to appeal to the county assessor.

Is the hon. Minister going to give the counties the opportunity to appeal to him when they feel these spot-checkers of his have not done a good job? This is coming into effect next year, and we have to act now.

HON. MR. WARRENDER: The counties have the right to appeal now to the county court judge.

MR. WHICHER: Yes, but when the county wishes to appeal against another county, is the hon. Minister going to say, "My spot-checkers have taken 15 spot-checks, and this is it"? Is that the way they will appeal?

HON. MR. WARRENDER: I assume there will be an appeal set-up to the county court judge or the municipal board.

MR. MANLEY: Mr. Chairman, the hon. Minister says they have been passing around these 1954 costs in this manual during the past year, and a great number of the counties have taken it up, and he said, "Wait for another year and we will give you something better."

Is the hon. Minister going to throw the 1954 schedule out of the window and come in with something more supreme?

HON. MR. WARRENDER: Under the new set-up it is doubtful if the 1954 manual will be used at all. The new one is being devised.

MR. WHICHER: Mr. Chairman, the hon. Minister realizes these municipalities for next year's assessment are being assessed now. Is everybody in this province going to be thrown into confusion by not being informed ahead?

HON. MR. WARRENDER: This is for local purposes.

MR. T. D. THOMAS: Mr. Chairman, would it be true to say that, after trying to put in a provincial manual for over 11 years and finding what kind of treatment it has received from the counties and municipalities, that the department has realized they are not going to get very far with it and are going to make provincial spot-checks of their own?

HON. MR. WARRENDER: No, the general basic fundamentals of the present manual will still be retained for local purposes. The assessment of which I speak, which will be made uniform for the entire province, will be an assessment in respect of which grants are made, which is a different principle.

MR. T. D. THOMAS: Mr. Chairman, the vote on payments under The Municipal Unconditional Grants Act is increased by \$200,000 this year. I wonder if the hon. Minister would give us an explanation of that? Payments in lieu of certain municipal taxes — \$800,000; it is item No. 7.

HON. MR. WARRENDER: It is \$200,000 more. Well, the hon. member knows why the money is being spent. Is the hon. member talking about the increase?

MR. T. D. THOMAS: Yes.

HON. MR. WARRENDER: The increase is due to the cost of the rapid development and rapid purchasing of property by The Department of Highways as it goes from place to place in the province. In many cases they cannot put a line through a farmer's property, because often the severance will mean a loss. As a result, in many cases, they are almost forced to make a deal for the whole of the farmer's acreage. That means, in effect, we have more land on our hands than we need, but it will be sold off later as it becomes

surplus, and it is to assist in paying for these large lots that the increase is in there.

MR. WHICHER: In 1954, when the unconditional grants came into being, of course the grant for The Police Act and The Fire Departments Act, I understood, was done away with. I wonder if the hon. Minister would explain the items for \$180,000 for The Police Act and \$140,000 for The Fire Departments Act?

HON. MR. WARRENDER: When that system of grants was done away with, there were two features retained: one was the workmen's compensation, and the other the pension feature. Some small grants are still paid in respect of those two features for both The Police Act and The Fire Departments Act.

MR. H. WORTON (Wellington South): Mr. Chairman, I would ask the hon. Minister again, on what basis is the agricultural college? Do they pay on land or on any of their buildings, or farmland?

HON. MR. WARRENDER: I do not think they pay under the educational structures. I have some examples here where they are not paid: unpatented lands, parks, hospitals, museums, jails, and so on.

MR. WORTON: Does that mean they are paying on the college?

HON. MR. WARRENDER: Not on education, but these are other matters, where they do not pay.

MR. WORTON: I thought this would be an appropriate time to mention that, since the federal government has accepted some responsibility on property, perhaps we could collect some additional taxes in regard to the provincial buildings in Guelph, or perhaps some extra subsidy in regard to roads serving that large area, because those roads are heavily used.

HON. MR. WARRENDER: You mean a grant in respect of the educational facilities there?

MR. WORTON: Yes.

HON. MR. WARRENDER: I am afraid not.

Vote 1,201 agreed to.

On vote 1,202:

MR. WHICHER: Mr. Chairman, there is one question I would like to ask about the municipal board. I believe it is a very good body and I appreciate the situation as to why it came into being. I do feel there should be some guidance for the municipalities, particularly in dealing with debenture debts and so forth, because councils change very often, and somebody is liable to come along and want some huge expenditure which the municipality cannot afford.

However, I would like to ask the hon. Minister whether he feels it is necessary that, when a very small debenture is being issued, we should have to wait around for a body that is very greatly overworked? Why should we wait around until our turn comes up on the issuance of a certain debenture?

I am thinking of one example where they had a very small debenture issue for a water main, which was for only \$3,000, and it took two or three months to get the permission of the municipal board to get the work done.

HON. MR. WARRENDER: On a water main?

MR. WHICHER: Yes.

HON. MR. WARRENDER: There are many things like that coming in under The Drainage Act, and it has been suggested we should make a change there, so that where the amount is under, say, \$5,000, or, for a limited period of 5 years, permission of the board would not be necessary. We are considering that request.

In other respects, however, we must consider that a municipality might issue a series of these debentures for drainage purposes, and it may affect its whole financial structure. I think it has been the feeling of the board—and I spoke to the chairman on one occasion—that if there was a series of these going through without the scrutiny of the municipal board, it might seriously affect the financial status of a small municipality. Where there is a large municipality, it probably would not affect it very much.

That is why it was put in there originally, just as a safeguard. However, I will consider that point and see if there might not be some alleviation of the problem.

MR. T. D. THOMAS: Mr. Chairman, in respect of the municipal board, I would like to join the hon. member for Bruce in saying that I think they do a very good job, but there is delay sometimes in getting permission to go ahead with certain projects in the municipalities. I believe there is a great deal of delay, but I do think they stop any municipality that may be tempted to become a little extravagant, and in that respect I believe it is a very good thing.

If we consider the board from that angle it is rather disturbing to some hon. members of the Legislature to realize there is legislation going through this House which will give a municipality permission to issue debentures without the permission of the Ontario municipal board.

HON. MR. WARRENDER: That is the other side of the story, Mr. Chairman, and it may be that this is a good question to submit to the municipal advisory committee for examination and a recommendation.

MR. MacDONALD: Will we hear the answer?

HON. MR. WARRENDER: Yes, hon. members will hear the answer.

MR. G. C. WARDROPE (Port Arthur): Mr. Chairman, I have many of these matters to deal with for municipalities in my area, and I have found that if it is a minor thing, I very often can get the municipal board to appoint the local city clerk, or somebody there, to hold a hearing, and if it is not contentious we get very quick action.

If it is a big matter that may be contentious, I do not disapprove of the board's hesitancy in a matter of that kind, but if some of these hon. members would do this sort of thing for the municipalities to help speed up these problems, they would find they would get a lot of co-operation.

MR. MacDONALD: Mr. Chairman, is this a general practice? I have never heard of this kind of procedure before. Has any opposition hon. member been able to get the city clerk appointed to do the job of the municipal board?

MR. WARDROPE: It has been asked for by the city themselves.

HON. MR. DUNBAR: I have never known it.

MR. MacDONALD: There is a former hon. Minister of Municipal Affairs who has never heard of it.

HON. MR. GOODFELLOW: The municipal board can appoint a clerk where it is a non-contentious application.

MR. WARDROPE: The hon. members should get wise to these things.

MR. MacDONALD: Mr. Chairman, it is not a case of getting wise to it. Are we on the right side of the House?

MR. WARDROPE: All they have to do is go and ask.

MR. MacDONALD: This is a privilege that has been unknown for some time.

MR. OLIVER: Mr. Chairman, may I ask the hon. Minister this question: What is, in his judgment, the reason for delay in processing these matters before the municipal board? Is it a question of lack of personnel, or would additional personnel help to facilitate and speed up these matters, or just what is the problem involved?

HON. MR. WARRENDER: I do not know to what the hon. Leader of the Opposition refers.

MR. OLIVER: Well, it should not be very difficult.

HON. MR. WARRENDER: If specific cases are mentioned?

MR. OLIVER: The hon. member for Oshawa and the hon. member for Bruce have made specific reference to the municipal board being slow in granting permission to issue debentures, and one thing and another, for work done. I am asking, is the accumulation of these matters caused by the fact that the department has not enough personnel, or just what is the reason for the delay?

HON. MR. WARRENDER: When I asked that question of the hon. Leader of the Opposition I was not trying to be smart or sarcastic.

MR. OLIVER: I appreciate that now.

HON. MR. WARRENDER: The reason for the question was this: there have been two or three times when the chairman himself has been bogged down with work, and has had certain applications for, say, annexations, which he thought were important and which were important, and because he thought he was the administrative head, he has not had an opportunity to get around to them as quickly as he would like.

In respect of these other matters where there is some delay, I am told that the answer is because of the sheer volume of work.

We have 9 members on the board, 2 of whom were appointed recently, and we think they are doing a very good job. There is a great volume of business, but they seem to be catching up with the flock of applications, and I have hopes we will be able to shorten the time and have the applications heard and the decisions out more quickly than has been the case in the past.

MR. MacDONALD: Mr. Chairman, I would like clarification from the hon. Minister on this question: We had a situation here a moment ago in which the second last hon. Minister of Municipal Affairs said he had never heard of this procedure of being able to facilitate and speed up the handling of small matters by having the city clerk appointed by the municipal board. Now we have the last hon. Minister of Municipal Affairs saying it was a common thing. What does the present hon. Minister of Municipal Affairs feel about it?

HON. MR. WARRENDER: I have not heard about it either.

MR. MacDONALD: That is two to one now.

HON. MR. WARRENDER: I have been talking to my adviser, and he informs me the clerk does not become an agent of the Ontario municipal board but, in order to find out whether the matter is contentious or requires a full, formal hearing, the municipal board will get in touch with the clerk and ask him to hear the parties on either side. If it is controversial, they ask the clerk to let them know, and send up one or two men rather than the full board, and in that way it is time-saving and saves a lot of expense, and the desired objective is reached more quickly. I think it is a good idea.

Vote 1,202 agreed to.

On vote 1,203:

HON. MR. WARRENDER: Mr. Chairman, may I say one word on the last item, The Rural Hydro Electric

Distribution Act, where there is an amount of \$8 million set aside for rural development in Hydro this fiscal year. I looked into this matter and discovered these grants started back in 1923 to assist the rural areas with their development, and that, as of December 1956, the total grant from the province to assist in this development was \$105.7 million. Since 1944, when the big development has taken place — that is, since the war — the total amount spent from that time to date is \$85.3 million, which I think has been very influential in the rapid development, hydro-wise, in the rural areas.

MR. MANLEY: Mr. Chairman, would the hon. Minister tell us how many rural subscribers this last year have been added by this amount of money which has been spent in this department?

HON. MR. WARRENDER: I cannot recall the figure offhand. It seems to me it is around 7,000 or 8,000. I can obtain that figure for the hon. member.

MR. MANLEY: Could the hon. Minister tell me how many miles of line were put up this year?

HON. MR. WARRENDER: No, I do not have that figure here.

MR. MANLEY: Well, I am very sorry, but I think the hon. Minister should have the figures at his fingertips as to how many miles of rural hydro this government has been able to add to the system this year.

HON. MR. WARRENDER: I am told this is primarily of concern to the hon. Minister Without Portfolio who sits on Hydro. All we do is get the bill, and that is our contribution. I cannot remember these figures offhand; I was in Hydro, but I would not guess as to the number of miles.

MR. OLIVER: Mr. Chairman, on that point, the hon. Minister says there is an hon. Minister Without Portfolio

who is supposed to handle Hydro matters and that is very true. But the hon. Minister is aware, I am sure, of the fact that in this particular vote, this is the only place in the estimates upon which the ordinary hon. members can question the activities of the Ontario Hydro-Electric Power Commission, not only in respect to these rural lines, but in respect to its overall operation.

The hon. Minister should come to this House prepared to answer questions regarding Hydro, inasmuch as I say that is the only opportunity hon. members have to have questions answered.

HON. MR. WARRENDER: Mr. Chairman, I appreciate the point of the hon. Leader of the Opposition, and I am sorry I am not prepared to give that information. But I shall get it and bring it to the House at the first opportunity; that is the circuit miles and the number of persons added?

MR. CHAIRMAN: This vote is statutory.

HON. MR. WARRENDER: It is statutory, but since the hon. member has raised the point I will get the information for him.

MR. OLIVER: The chairman says the item is statutory, and that is accurate of course. But it has been the custom, and the hon. Prime Minister knows it, that for a number of years it has been the right of the opposition and other hon. members to have a discussion relative to matters pertaining to Hydro. On this particular item, inasmuch as it is the only way in the estimates on which to discuss the matter, it is not right to dismiss the discussion by the suggestion it is a statutory item.

MR. MacDONALD: Mr. Chairman, if this is the point where it should be raised, am I not correct in saying that up until about two years ago the hon. Minister Without Portfolio who sits on the Hydro-Electric Power Commission reported to the House in the same fashion,

so to speak, as an hon. Minister introducing his estimates, and it was followed by a full-dress debate?

HON. MR. FROST: He has reported and that will be done this year.

MR. MacDONALD: It will be done this year. I can recall sitting in this Legislature before I was elected to it and listening to Mr. Challies give such a report followed by a full-dress debate. I have been curious, the last two years, about the new practice. In one part of the speech from the Throne comes the report about the Hydro, and anybody who knows about the procedure realizes that does not offer any opportunity for those who follow to discuss Hydro specifically, and it gets lost in the shuffle.

This great empire exceeding that of the province is a little too big to get lost in the shuffle any longer. I suggest to the hon. Prime Minister that the previous practice, if it was a practice, should be restored, and if it was not it should be established. The hon. Minister Without Portfolio should report to this House in the same fashion as a departmental estimate is introduced, so the House can have an opportunity for full discussion.

HON. MR. FROST: I have no objection to that procedure. But what has developed in the last two or three or more years has been that the matter has been discussed in the committee on government commissions. I understand this year the chairman, with the vice-chairman and all the members of the commission, and the general manager, are going to appear before that committee and give the committee a full report. That is a system which has developed.

I am not so sure that it is entirely desirable. In other days we used to have very lengthy reports from the hon. member for Grenville-Dundas.

MR. OLIVER: They were lengthy, I will say that for them.

HON. MR. FROST: The hon. Leader of the Opposition was sometimes not very appreciative of those reports, but if the hon. members want them brought in, I will see that is done, and will ask the hon. Minister Without Portfolio to prepare his address for the Legislature.

MR. MacDONALD: Mr. Chairman, now that the hon. Prime Minister has raised this point about the standing committee on government commissions providing the avenue for this kind of discussion about Hydro and others, I would say that while it is theoretically good, in practice it is hopelessly and absolutely inadequate.

Last year, for instance, we had the athletic commissioner come in one week with a chip on his shoulder, and the next thing he left, and in came the Hydro for an hour and a half's consideration of the whole position of Hydro, and back came the athletic commissioner. We looked into the entire athletic Act again — I say the entire Act — we looked into a small portion of it, because we had a hopelessly inadequate time to do a job.

On the fuel board we had an hour and a half. We could have had 3 or 4 hours and not done the job properly. So, while theoretically it is a good thing, in practice there are 20-odd commissions, and it is impossible to do a job in the 6 or 8 sessions which can be held in the committee during the sitting of the Legislature.

So, with as important a phase of the work of the province as Hydro at least, an exception should be made of it, and it should be brought back and discussed in the fashion of a departmental estimate.

MR. WHICHER: I agree with what the hon. member has said, because not only last year did the Hydro commission come there for only an hour and three-quarters, but in that hour and three-quarters a great percentage of the time was taken up with their report.

I fully appreciate the fact that the report is very necessary, but it leaves very little time for the members of the committee to question them on financing and so forth, on such a huge business as Hydro in this province.

To show where the opposition is tied in this matter, let me remind the House that in my address on the speech from the Throne, which I gave several weeks ago, I laid several charges against Hydro in this province, and there has not been one single answer from any hon. member of the government. Those charges were that the basic principle of Hydro at cost is completely gone, and I quoted facts and figures from its own books and manuals to prove it.

HON. MR. FROST: Let the hon. member ask the chairman when they come up here.

MR. WHICHER: Up to the moment, we have not any guarantee that the chairman is coming, and even then he is newly appointed, and I do not believe he has the answers.

HON. MR. FROST: The general manager will be there.

MR. WHICHER: In my address on the speech from the Throne, one thing I said was this, and there has not been one answer from one Toronto hon. member in this assembly, that in the year 1955 Toronto, with 197,000 users, made a net profit, after depreciation of \$2.5 million, of \$3,523,000, or an average overcharge of almost \$18 per customer. In other words, they had a net profit of over 12.5 per cent.

I regard that as quite a charge. I am willing to discuss any municipality in this province, any one this government wishes to take, because here is the book and they are all there.

The consolidated financial statement of Hydro in this province, as far as public utilities are concerned are as follows, and I think this is very specific, and there has not been one refutation

that in 1948 the commission made \$4 million after huge depreciations and huge reserve funds being set up; in 1949, it made \$3 million; in 1950, over \$5 million; in 1951, over \$8 million; in 1952, over \$9 million; in 1953, over \$11 million.

MR. A. COWLING (High Park): On a point of order, Mr. Chairman—

MR. WHICHER: I will be through in a moment.

MR. COWLING: On a point of order. We enjoyed the hon. member's speech the first time, but after all we are dealing with municipal affairs, and I cannot see where that part of the speech ties in with that at all.

MR. MacDONALD: The hon. member for High Park missed the whole point.

MR. WHICHER: Evidently the hon. member was not listening to his big chief, the hon. Prime Minister, who gave us permission to discuss these things.

HON. MR. FROST: I do not think I gave anybody my permission to do anything. If the hon. member will give me these so-called charges tomorrow, I will have them sent to Hydro, and will have the proper officials appear to submit to cross-examination on his part. I will be very glad to do that.

MR. WHICHER: I wish to assure the hon. Prime Minister that those statements are already in *Hansard*, but there is no answer there, and I would like to have an answer.

Just to complete my point, in 1955—these net profits have increased year by year—the net profit in 1955, after allowing \$7 million in depreciation, was \$17.5 million.

I am very glad to hear that the hon. Prime Minister is going to have these charges answered, but as far as Hydro at cost is concerned in this province

through the public utilities, it is completely and absolutely a fallacy and without foundation and its own figures prove it and here they are.

MR. COLLINGS: I wonder if the hon. member would allow a question.

MR. WHICHER: I would be very pleased.

MR. COLLINGS: When he mentions Hydro at cost, let us refer to the city of Toronto and the fact that the Toronto Transit Commission are to provide services at cost. Over the years the Toronto Transit Commission built surpluses of some \$30 to \$35 million. It was done for one purpose, to provide funds for the subway. Would the hon. member find any fault with that?

MR. WHICHER: I do not find any fault with having reserve funds. I believe every business and every commission, or any big business, certainly, has to have reserves. Most of those reserves the hon. member is speaking of with the Toronto Transit Commission were depreciation reserves, and they were put into cash and used for the subway.

My objection to the huge surpluses that Hydro have created in carrying on a public utility in this province is for this reason:

The Hydro-Electric Power Commission operates under The Municipal Act, and The Municipal Act definitely states no municipality in this province may create surpluses. In other words, if the city of Toronto had a \$2 million surplus in any one given year, that \$2 million has to be spent the next year or else taxes are lowered. There is only one instance where a municipal Act allows surpluses to be created and that is under a commission of their own making. Both of these things are under the government. Why does it allow its own commission to create these huge reserves when it is in many instances completely unnecessary, and an overcharge on the people of today?

HON. MR. FROST: The answer is self-evident; there is no use debating that.

MR. WHICHER: The hon. Prime Minister says the answer is self-evident. It may be self-evident in his opinion, but there are many people who do not agree with that opinion. I am prepared to show, in one minute in this book, where there are small municipalities with less than 1,000 users who have over \$100,000 in cash or bonds, and if the hon. Prime Minister would read this book he would be able to find the same thing.

HON. MR. WARRENDER: Mr. Chairman, I have the information. It has been supplied by the hon. Minister Without Portfolio. New rural lines, 11,250 last year; 25,000 added for an overall total of lines of Hydro, 430,000. The number of rural Hydro users added last year, 646.

MR. WHICHER: 646?

MR. OLIVER: We spent \$8 million to give 646 people hydro.

HON. MR. WARRENDER: That should be lines, 646 miles of lines added last year.

MR. WHICHER: How many users?

MR. T. D. THOMAS: 25,000 added.

MR. WHICHER: 25,000 users?

MR. MANLEY: 25,000 users on 646 miles of lines.

MR. WHICHER: I suggest the hon. Minister has the wrong piece of paper there, and somebody will have to smooth it out.

HON. MR. FROST: It is obvious that 646 miles of line were added last year. That is plain. That is about 10 times as much as the hon. member's

government added in Ontario altogether before 1943.

Last year some 25,000 new customers were added. I would say that has been progressing on the average of something around between 25,000 and 35,000 new customers each year. The 25,000 customers are not added to the new 646 miles of lines; they are added to the great system across Ontario.

MR. WHICHER: That is different.

HON. MR. FROST: The hon. member should have known that without asking me. There are, of course, hydro lines built in the province where there are farmers who did not feel they were able to come in at the time, or new houses being built, or something of that sort. The result is, many of the extensions the government invested in, in previous years, are now becoming profitable in the rural service because more people are coming on.

Imagine this: 25,000 users came on this year to those lines, who, until this time, were denied the benefit of electric light and electric power. This story, over the last two years, is a very startling one of the development of this province and the betterment of the way of life of our people.

HON. MR. WARRENDER: To clear this point up, frankly, Mr. Chairman, these figures are correct but here is an excerpt from *Hansard*, dated March 1, 1957, made by the hon. Minister Without Portfolio:

Hydro's policy of rural expansion has been particularly aggressive in the postwar years when the number of rural customers served has grown from 156,500 to more than 430,000. The continuing activity of this programme is indicated by some 25,000 new rural customers added during 1956 before certain annexations took place. It is expected that the present year will see even this figure exceeded.

Despite several cases of annexation of rural areas by municipalities during

1956, a net addition of 640 miles of rural distribution line was made to bring the total in service to almost 44,500 miles.

MR. MANLEY: I would like to ask the hon. Minister why the figure was cut down from \$9.2 million last year to \$8.7 million this year; why a drop of \$500,000?

HON. MR. WARRENDER: It is almost up to the saturation point. After we reach a certain stage in expanding these lines, then we must go much greater distances before we run into another small hamlet or group of houses. Eventually those are being picked up as more people come onto the line, so they are able to get the proper density of population for the lines.

MR. OLIVER: Perhaps I should not ask the hon. Minister, but I want to find out if there has been any change in the density required on rural hydro lines.

HON. MR. WARRENDER: I understand the policy is still 3 to the mile.

HON. R. CONNELL (Minister Without Portfolio): Three to the mile or 15 units to the mile.

MR. MANLEY: I would like to address this question to the hon. Minister Without Portfolio. He is here now representing Hydro, so would he tell us how many rural customers in the province today are paying an additional amount so they can have rural electricity on their farms?

HON. MR. CONNELL: I do not have that figure at hand. I think it would be, possibly, a considerable number.

Vote 1,203 agreed to.

Hon. Mr. Frost moves that the committee do now rise and report certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. C. E. JANES: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions, moves the adoption of the report, and begs leave to sit again.

Motion agreed to; report adopted.

THE MUNICIPAL UNCONDITIONAL GRANTS ACT

Hon. W. K. Warrender moves second reading of Bill No. 44, "An Act to amend The Municipal Unconditional Grants Act, 1953."

MR. R. WHICHER (Bruce): Mr. Speaker, I wish to make a few remarks on the passing of this bill; not so much as far as the bill is concerned, because I wish to commend the hon. Minister of Municipal Affairs and the government in increasing the grants this year to various municipalities, and all of us know they certainly do need it.

What I wish to speak about again this year, is the differential in the capital grant whereby a large municipality, such as metropolitan Toronto, receives \$5.50 per capita and the small municipalities receive only \$3. In order to let all hon. members know where I stand and where, I believe, all hon. members stand who represent small towns and rural areas, I wish to quote from an editorial in last night's *Toronto Daily Star*. With these remarks I most certainly agree. The article is entitled —

TORONTO'S GOOD IS ONTARIO'S GOOD

and reads:

The growth and productivity, commerce and population of Toronto is the core of the Ontario boom. In fact, of the Canadian boom. The truth of this statement is recognized by other Ontario communities who feel, while Toronto is booming, much of the rest of the province is only swimming in the eddies of Toronto's progress.

The plain fact of the matter is that without Toronto's boom there would be no Ontario boom. If Toronto should be hamstrung, for instance, by lack of adequate transportation facilities, roads, buses, streetcars, subways, the rest of Ontario would feel the economic damage. In other words, it is to Ontario's interest to keep Toronto healthy and accessible.

This assertion may be questioned by smaller municipalities whose development is slow compared with that of Toronto, but they should realize they share, indirectly, in Toronto's wealth. Where is the \$213,947,000 coming from which the Ontario government plans to use to assist all Ontario municipalities in the fiscal year now starting? Fully a quarter of this money is to come out of metropolitan Toronto, its commerce, industry and citizens.

The provincial government should have no fear that in treating Toronto fairly, and even with compassion, it will alienate people elsewhere. For Sudbury and the Sioux and Millbrook and Minden live at as close quarters with Toronto as does Queen's Park. Toronto's good is Ontario's good.

I do agree with all of that and certainly endorse the last statement—Toronto's good is Ontario's good. But I would like to suggest to hon. members that it could very well be reversed. It could be reversed to say Ontario's good is Toronto's good.

When the unconditional grants were passed in 1953 to take effect the next year it was emphasized, most emphatically, by the government that the word "unconditional" meant exactly what it said. It was to be unconditional in every form and every shape. The municipalities who received this money could use it in whatever manner they considered proper for their own municipality, wherever that might be.

However, in questioning, and when the differential in per capita grants were taken into account, we find that the government, perhaps not as an excuse, but

as a reason for making a different per capita grant for the various municipalities said, inasmuch as welfare and hospitalization costs and unemployment relief and so forth were higher in the larger municipalities, therefore they should receive more money. They also went so far in trying to explain their position—

HON. MR. FROST: That is perfectly obvious.

MR. WHICHER: I am just trying to develop my case, as I heard the hon. Prime Minister do many times himself. They also said that the smaller municipalities get much larger education grants, and I think they did a very good job, in theory, in explaining to the public that the huge metropolitan area here should get more money.

Let us take for example, however, the education cost. I do not think I would be remiss in my duty to point out that, when the education percentages of the cost were shared with the municipalities of this province, that those percentages were made many years ago, while unconditional grants have just come into being in the last 3 years.

The reason why the smaller municipalities get much larger education grants is very obvious, because in an area of industrialization, or areas like Guelph or Kitchener, or wherever it might be, who get different percentages from Toronto, or Hamilton — they take the agricultural areas — the reason is that there is a great deal more industry in this area, industry that does not cost one single nickel to the municipality as far as school costs are concerned.

For that reason, a reason that has been there for years, educational grants to rural areas were given a much higher percentage.

Those of us who live in the Royal York Hotel while the session is on, pass the Canada Life Building every day. It is the head office of the Canada Life Assurance Company, a credit not only to the city of Toronto but to the whole province of Ontario.

Of the business this company does in Ontario, one-half is done in the Toronto area and the rest is done in the remainder of the province. Yet metropolitan Toronto received in taxes, in real estate taxes and business, from that one building alone, \$248,000 last year.

I am not trying to suggest to hon. members that metropolitan Toronto, or Toronto, should give any of those taxes back to the "have-not" municipalities of this province. I merely quote that figure to show that educational grants must be higher in rural areas than they are in this city.

I will give them one more example, the new Bank of Nova Scotia building in this city. Real estate business taxes which the city of Toronto or the metropolitan area, whichever the case may be, received from that one building last year, amounted to \$590,000.

MR. W. J. STEWART (Parkdale): Mr. Speaker, would the hon. member for Bruce permit a question? Why should they not? Who gives them the police protection and the fire service? Who gives them that?

MR. WHICHER: No reason at all, I am just informing the House how much they receive. But it does not cost the city one single nickel as far as educational costs are concerned out of that \$590,000.

MR. EDWARDS: Is that Mr. Oliver's record? His 1943 record?

MR. WARDROPE: What about the children of the people who work there?

MR. WHICHER: The children of the people who work there naturally live in houses and apartments in this city and they have to pay their taxes on residential areas and so on. We have to do the same thing where there is no industry, and I am only trying to point out that that is the reason why educational grants are much greater in the rural areas than they are in the city of

Toronto. I suggest to hon. members of this House who represent rural ridings that they think about that quite seriously for the next few moments, because it represents a huge amount of money.

The amount which I pointed out was paid by the Bank of Nova Scotia, I suggest, represents more taxes than is received by the whole town of many hon. members in this assembly; and costs the city of Toronto not one nickel as far as education is concerned. The children do not live in that building, it is industry in every possible form that one could judge.

I suggest that in the case of these educational costs, the percentage was fixed on a basis of many years ago, and I suggest that The Unconditional Grants Act has nothing whatsoever to do with educational costs, and just because rural areas—

HON. MR. FROST: It has to do with the cost of the social services —

MR. WHICHER: All right.

HON. MR. FROST:—which in those municipalities run as high as \$7 or \$8, whereas in the municipality of the hon. member for Bruce they average, I believe when we looked at this before, something around 50 cents.

MR. WHICHER: Yes.

HON. MR. FROST: That is why it is more.

MR. WHICHER: But what I am saying is that the government has used, as an excuse to this House, the reason why unconditional grants are greater in Toronto is because the rural areas are given more money.

HON. MR. FROST: I did not give it as an excuse, I gave it as a reason.

MR. WHICHER: Is the hon. Prime Minister getting a little cross, by any chance?

MR. MacDONALD: He won by-elections by saying it.

MR. WHICHER: But anyway, these school costs have nothing to do with it, the hon. Prime Minister just said so himself, as far as unconditional grants are concerned.

In this House he said that the word “unconditional” meant exactly as he stated, that the municipalities could use the money any way they desired; and he did not say when talking on the other side of the story, that indigent relief or welfare costs had anything to do with it whatsoever.

But before I get away from these educational costs, I just want to point out one thing, and develop my case, that hon. members representing cities may well think how fortunate we are in rural areas that we get so much money for educational costs.

MR. A. GROSSMAN (St. Andrew): We do not think that way at all.

MR. WHICHER: I did not say the hon. member for St. Andrew did, I say he might have that feeling, and I would like to point out that in smaller areas, as in the city, we cannot consider that our sons and daughters are educated until they go to college. I have no idea whether or not the hon. member for St. Andrew has any children, but if he has, when he goes to educate those children at the University of Toronto, how much more is it going to cost me, as a resident of a rural area 140 miles away from here, as an individual taxpayer, to educate my children at the University of Toronto than it is for the hon. member for St. Andrew or any of the people who live in this Toronto area?

MR. STEWART: How much less does it cost the hon. member for Bruce to live where he does than if he were living in the city of Toronto?

MR. WHICHER: We are talking about education at the moment; I am

not going to talk about anything the hon. member for Parkdale desires.

College education is an absolute necessity for all of our children, and all rural members in this hon. assembly know full well that when the time comes to send their children to university, for which there is no grant as far as the individual is concerned, it is then they get caught, and caught well, as far as the financial position is concerned.

MR. GROSSMAN: Might I ask the hon. member a question?

MR. WHICHER: Because it will cost at least \$1,000 apiece. Yes, the hon. member may ask a question.

MR. GROSSMAN: Mr. Speaker, I think we have all been interested in hearing this point developed, because it is an important problem. But insofar as the hon. member is pointing out that my children, one of whom incidentally goes to the university, that it does not cost me as much to send him to university because I do not have to send him long distances and so on, has the hon. member ever considered that there is a huge area which, if it were not university, would produce millions of dollars in taxation, but which is exempt from taxation and thus a loss in that respect? To that extent, my taxes are contributing towards his children or any out-of-town students coming in to university. The problem has so many facets in it that one can envisage almost any type of case one chooses —

MR. WHICHER: I fully appreciate that Toronto citizens are losing a great amount of taxes by the location of these colleges in Toronto, London, or wherever they might be, and I know that they are a necessity.

However, I suggest that the taxes the hon. member pays as an individual because of the university being there will not be nearly as much as I have to pay to send my sons and daughters 140 miles and board them here and so forth in order to educate them in the college.

These educational costs were here long before unconditional grants came into being at all.

These area total grants, as presented by the hon. Minister of Municipal Affairs this afternoon, for the province of Ontario were \$20.9 million. The basic grant, the amount paid for every person in this province is \$3 per capita, so that, assuming the population of the province to be 5.5 million, at \$3 per person that is \$16.5 million, which leaves an escalator or a differential in per capita grants of \$4.4 million. We all receive the same, but there is \$4.4 million left over that is going to be paid to the municipalities which have the greater population.

Let us just take a look at where that goes. Metropolitan Toronto, with a population of approximately 1.3 million gets \$2.50 per capita, a total of \$3.25 million. The rest of the province, the whole area representing 75 per cent. of the people of this province, gets the remaining 25 per cent. of the money, or \$1.15 million. Toronto gets 75 per cent. of it, with one-quarter of the population; the rest of the province with 75 per cent. of the population gets 25 per cent. of the money.

I am not suggesting for one minute that this huge metropolitan area does not need money, but I do suggest that they are certainly doing a very good job about getting it. We realize that in rural areas and in small towns and cities they cannot have the services that they have here, and certainly do not expect them. It is not possible in some small towns to have all paved streets. There are lots of streets without any sidewalks.

We realize that, according to the hon. Prime Minister, a couple of billion dollars will be spent during the next 5 to 10 years, presumably in the smaller towns and cities which do not have sewage disposal plants at the present time. We understand, after listening to the water resources committee representatives who said at the committee meeting they were going to insist that by July of this year the cities of this

province, for example the home city of the hon. Minister of Health (Mr. Phillips), Owen Sound, that by July they must be prepared to show plans for the installation of proper sewers and for a sewage disposal plant, and if they do not the water resources committee is going to step in and say, "You must do it."

Hon. Toronto members have those things in this city, and we are not jealous of them, we wish them all the best, as I said after reading this editorial, but they are in a financial position that when they build a new school, they can also give it a gymnasium and a swimming pool. I think that those things are all for the best, and Toronto citizens should have them, provided they can afford them.

The point is, that Toronto people can afford them and we cannot.

MR. GROSSMAN: Who said we can afford them? Very few schools have swimming pools.

MR. WHICHER: Is it not true that in the newer ones Toronto is building, they are putting in gymnasiums?

MR. GROSSMAN: Very few of them.

MR. A. H. COWLING (High Park): Mr. Speaker, may I say while the hon. member for Bruce is taking a little drink, he is doing an excellent job, as he always does, and has been making some grave pressures as far as Toronto is concerned. We are pleased to hear those comments from him.

However, may I point out we have not very much money in metropolitan Toronto. We are short of money. There are many things we would like to do that we cannot do.

Therefore, in the course of the hon. member's comments, I would like to know if he would care to say if he favours the government assisting poor little old metropolitan Toronto to build this new subway so that we can go east

and west, and help out all the tourists that visit from Bruce? I would like him to state his position on that.

MR. WHICHER: May I assure the hon. member for High Park that this is one case in which I agree fully with the hon. Prime Minister of this province, I do not agree that Ontario should help with the building of the subway, and I am sure the hon. Prime Minister is glad to hear that I agree with him.

I have not tried to be antagonistic about Toronto getting this money at all, as I say I believe that the city has received it because it has great capital expenditures that are necessary here, which we in smaller areas do not have. But you know it is amusing to me when I see Toronto has so much money to spend. It does not know whether to put \$50 million into a new subway or whether to put \$50 million into a new transit through the city, or what it is going to do with it. But one thing is sure. This year, Toronto can do one, two or three things here this year, and next year can start some other major enterprise.

MR. COWLING: We have to save up the money.

MR. WHICHER: But the point is, these things do get done, the new schools with gymnasiums and swimming pools are being built, while in other areas of the province they are not being built.

I think that instead of giving these unconditional grants on a population basis, that they should be given on a basis of need. I believe I can quote the words which the hon. Prime Minister himself has used, with the agreement of this House, to prove my point. When he made his report to this House and was giving the story of going to Ottawa, fighting for Ontario and so forth over tax agreements, he definitely said that the provinces who were not as fortunate as Ontario should be assisted, and he said right in this House that the "have-not" provinces such as

Prince Edward Island, New Brunswick, Nova Scotia and so forth—

AN HON. MEMBER: Don't forget Alberta.

MR. WHICHER: I will mention Alberta afterwards. At the moment I am talking about the eastern provinces. The hon. Prime Minister said that he did not mind at all that Ontario, which was more fortunate economically, should help financially. He said, "Certainly we will give them the money, put it into the pot down there in Ottawa and let them help these people out on the principle of the have-not provinces being helped out by the others."

I wonder if the hon. Prime Minister ever thought that it would be a good idea to get rid of the so-called unconditional grants in the form that they are now placed before this House and work on the assumption, as he stated in regard to Ottawa, that the "have" municipalities should help out the "have-nots."

MR. MALONEY: Is that what the hon. Mr. Harris thinks?

MR. WHICHER: Is there any hon. member in this House who suggests that, even though metropolitan Toronto and the other large centres are somewhat frustrated by a lack of money to defray their huge capital ventures, that they have not received more money than the smaller municipalities? Is there any such suggestion?

Surely there is not for this reason. Do hon. members know that today, in this province, all the municipalities, practically all of the smaller ones, are living in mortal fear, as far as educational costs are concerned, that this great city will come along to their better high school teachers or elementary school teachers and say: "We have had wonderful reports about you, and instead of getting the \$5,000 salary which you are getting here, we will give you \$7,000"? Is there any hon. member from a

Toronto riding or any rural member who will say that is not the truth?

MR. COWLING: Yes, I will, Mr. Speaker. Another question, if the hon. member does not mind: does the hon. member for Bruce mean to say that somebody would come down from that lovely district of Bruce where they are teaching school, under the blue, sunny skies, and come into this metropolitan area of Toronto, which most of the year is smogbound, for a little extra money? Is the hon. member going to answer that question in the affirmative?

MR. WHICHER: As soon as the hon. member for High Park sits down, I will be glad to answer his question.

Unfortunately we are not talking about the sunny skies of Bruce county at the moment. We are talking about cold dollars and cents. The truth about education is as follows, and if the hon. member does not believe me, he can look up the average salary for high school teachers and elementary school teachers throughout this province. He will find that Toronto pays more money than they do in the rural areas.

I spoke to a young man over the week end and asked him when he was going to build a house in a certain municipality, and he replied, "I am sorry to say I cannot afford it, because I can build a house in a larger centre just as cheaply as I could here, and I get far more money."

This is the basic point that I am trying to make. Why can he get more money in a larger centre? Why is this city prepared to pay \$7,000, being the figure I am using, when the smaller rural area can pay only \$5,000? Why do they do that?

The answer is because, in this city, they have the money to do it and in the rural areas we have not the money, and the government with this bill is giving this city more of it.

MR. GROSSMAN: Mr. Speaker, might I ask the hon. member for Bruce what his municipality did with the

additional unconditional grant which the hon. Prime Minister gave his municipality last year, and he does not know how much it was?

MR. WHICHER: The unconditional?

MR. GROSSMAN: The additional unconditional grant.

MR. WHICHER: There was no additional unconditional grant.

HON. MR. FROST: Certainly there was, the hon. member's municipality got \$1 in 1955.

MR. WHICHER: 1955, yes.

MR. GROSSMAN: I should say 1955, I am sorry. Does the hon. member recall?

MR. WHICHER: 1955, not 1956.

MR. GROSSMAN: Yes, 1955. It was the last year that I sat on city council. Does the hon. member know what his municipality did with that extra money?

MR. WHICHER: I certainly do.

MR. GROSSMAN: Would he mind telling us?

MR. WHICHER: They used it unconditionally, as the government told us to do.

MR. GROSSMAN: Does he mean they just threw it into the consolidated fund?

MR. WHICHER: That is what we were told to do.

MR. GROSSMAN: Then I wonder if the hon. member is aware that this city used \$500,000 of that money for unemployment relief to look after those people here who were let out of work from these huge industrial buildings with which we are favoured in the city of Toronto?

MR. WHICHER: Nobody is suggesting that the unemployment relief and welfare costs of the city of Toronto and larger centres are not more than they are in rural areas. I admit it, there is no question about it at all.

But my point is that, not only in education but in other branches of government; for example, if we have a county engineer in Bruce county who is getting \$5,000 a year, that is all the county can afford, the city of Toronto can offer him \$7,000. The city of Toronto can afford it, Bruce county cannot afford it.

MR. STEWART: May I ask a question, Mr. Speaker?

MR. HUNT: Mr. Speaker, I have been all through Bruce, I know Bruce county.

MR. SPEAKER: Order. The hon. member for Parkdale has the floor.

MR. STEWART: Mr. Speaker, does the hon. member really believe it costs just as much to live in Bruce county as it does to live in the city of Toronto or one of these other large centres?

MR. HUNT: Mr. Speaker—

MR. WHICHER: I can answer only one question at a time. As far as taxes are concerned, it costs far more to live in the county of Bruce than it does in the city of Toronto, taking all the services concerned into the whole picture. There is no question about that whatsoever.

MR. COWLING: The hon. member is absolutely wrong.

MR. WHICHER: I am prepared to prove it.

MR. COWLING: Oh, no, absolutely wrong.

MR. WHICHER: Well, if I may use an example, I have a good friend whose name I will not mention but I shall be

glad to tell the hon. member for High Park afterward. This gentleman has a \$30,000 home in the city of Toronto and he told me that his taxes were \$400 last year.

I quoted in the Throne debate the case of an \$8,000 home in the town of Wiar-ton where the taxes last year were \$172.80. That is only one example.

MR. HUNT: Mr. Speaker, the hon. member is talking about \$50 million. I have been right through the county as far as Tobermory, and the whole county is not assessed for \$50,000, and I represent a better county than he ever thought of representing.

He talks about \$5,000 for the county engineer; we are paying our county engineer \$7,000. If we can afford to pay it, the hon. member's riding can afford to pay more than we are paying up there.

HON. MR. FROST: Mr. Speaker, the hour is getting late, and I would like to say a word in connection with what the hon. member for Bruce has said.

MR. WHICHER: It is quite all right, but I have not finished yet.

HON. MR. FROST: All right, go ahead.

MR. GROSSMAN: Mr. Speaker, I wonder if the hon. member would not think it is also important, in discussing the cost of living in various communities, to find out what it costs a person to go to and from work every day as compared to a person in the city of Toronto, who perhaps lives in the suburbs and has to wend his way through the terrific traffic maze we have here every day. Sometimes it runs into \$200 or \$300 every year just to get to and from work.

MR. WHICHER: Yes, but I think we were talking about The Unconditional Grants Act and not the cost of living. Those costs were there long before 1954. The education costs were

there long before 1954, and it is completely irrelevant to bring in education costs, the grants to rural areas and the cost of living in the city of Toronto.

MR. STEWART: The hon. member started it.

MR. WHICHER: The differences were there long before 1954. These are the unconditional grants. This government is giving more money to people who already have it. There is not one hon. member who can seriously object to this statement that the teachers in Toronto get more money than they do in other areas of this province. Why do they?

MR. CHILD: Because of the cost of living.

MR. WHICHER: The cost of living here is not greater than it is in the city of Hamilton.

MR. GROSSMAN: He has admitted it costs more to go to and from work.

MR. WHICHER: They can afford to pay these salaries, while the other areas cannot. That is the sum and substance of the whole thing. The hon. Prime Minister has said on repeated occasions that he believes in helping out those who have not. The rural hon. members should speak up and agree with me—

MR. DYMOND: Let him speak for himself.

MR. WHICHER: Especially should the hon. member for Ontario agree that we need more of this money; that it is not fair that 75 per cent. of this differential in per capita grants should go to 25 per cent. of the province.

MR. COWLING: Mr. Speaker, would the hon. member permit a question: we have more aged people in Toronto than any other place in Ontario. We have more people on relief, on welfare, than any other part of the prov-

ince. Does the hon. member realize that of all the New Canadians who come into Ontario, 75 per cent. of them find their way into Toronto and must be cared for and assisted? Does the hon. member say that the same problem exists in Wiarton?

MR. WHICHER: Mr. Speaker, I might say to the hon. member, and I will back this up with facts; we have more aged people in Wiarton on a percentage basis than there are in the city of Toronto.

MR. COWLING: I do not believe the hon. member.

MR. WHICHER: Well, I do not believe the hon. member for High Park. However, shall we pass over relief costs, and the bringing in of immigrants, or the costs of the municipal government, because they have absolutely nothing to do with The Unconditional Grants Act? The point is, this city has the money and the other areas of the province do not have it. Toronto can afford to pay big salaries: if they want good teachers they can go and get them, but we have not the money to keep them.

MR. WARDROPE: Are the teachers not good up there?

MR. WHICHER: The fact that they come here shows they are doing it for monetary reasons. It is all very well to say it costs more to live in this city, but the fact that they come proves the money is the object, because, obviously, it costs less to live in rural areas.

MR. J. A. C. AULD (Leeds): Mr. Speaker, I would like to ask a question. Has the hon. member ever read the report of the provincial-municipal committee in 1954, which went into the question of welfare costs and these various other costs throughout the province very thoroughly?

MR. WHICHER: I have not read it.

MR. W. B. LEWIS (York-Humber): Mr. Speaker, I would ask the hon. member for Bruce this: I have heard many statements that Toronto can afford this and that, but what point is the hon. member coming to? Does he believe that Bruce county, or the rest of the province of Ontario, would be better off assessment- or tax-wise if metropolitan Toronto did not exist? Is the hon. member intimating the rest of the province is more or less contributing to an area that already has money, and saying the average taxpayer in Toronto does not assume the burden that is assumed in the smaller municipalities? I am not trying to be facetious, but I sometimes feel that statements such as that go astray.

MR. WHICHER: I do not want these differential per capita grants taken down as far as Toronto is concerned at all. I only want ours to be increased. The slogan that the hon. Prime Minister used last election, "Forward Ontario", in many instances in this province is not true at all. I agree with "Forward Toronto" and many other municipalities too; some of the cities and larger areas are growing — not just this city. But in many areas they are not growing. There is an old saying that the strength of a chain is in its weakest link, and the province of Ontario can be regarded as a chain, and there are many weak links.

MR. STEWART: Because Ottawa will not pay our way.

MR. WHICHER: We need the money to develop. If we are going to keep this city growing, what will happen? Most hon. members agree it is too large now. The only way we can develop ourselves, and get better roads and schools and teachers, is to get more money.

MR. STEWART: From Ottawa.

MR. WHICHER: Then when we receive that money we can develop, and

our roads can be improved and people will move out of this area, or not settle here, and go into the smaller areas of this province, and really give the whole province that forward look.

I would say 85 per cent. of the industry in one given year moves into Toronto or Hamilton, and the smaller centres of this province need it, and only by getting money to develop ourselves are we going to be able to entice some of that industry into some of the smaller areas to make the whole province go ahead.

Before I conclude, there is one other point, and I have spoken about it to the hon. Minister before. I spoke to the hon. Prime Minister last night, and both of them were fair in their explanation.

I do not know whether the hon. members present realize that all of the huge industrial businesses of this province are not excluded by these unconditional grants — this Act, the amendment 103, which is before us.

I refer to some of the huge apartment buildings, not only in this city but in other centres of the province. The reason given to me by both the hon. Minister and the hon. Prime Minister was that it would be impossible to find out what was constituted as an apartment building, or where rooms were being rented and so forth. Therefore, they thought they would give this money back to them along with the home owner and the farmer. They feel that the huge apartment building owners of this city also should get it back.

I ask hon. members, while appreciating the administrative difficulties of this task, would it not be possible to contribute two or three mills, or whatever it may be that goes back to the home owner, also to these people who may have 5, 6 or even 10 units of apartments in any particular building? Do hon. members think it is right that we should help out these people who may own 10 huge apartment blocks? Do hon. members really think they should get this reduction in their taxes because they happen to be in the apartment business?

I suggest the apartment business is one of the best businesses it is possible to get into, as far as making money is concerned. I believe the figures and statistics will prove this point.

Of course, the theory that has been given to me, and which I thought about before, was that a man's home is his castle, and the private residences are being subsidized through this Act, and therefore the apartments who may have 100 little castles in each one—100 units—should be subsidized too, and, therefore, inasmuch as the costs of that apartment are not increased, therefore the rent will not be increased, or it may be lowered, in theory.

I suggest we can go into other businesses and apply the same thing. I happen to be in the dairy business myself: could we not use the same excuse, that if the taxes on that business were lowered I might lower the price of milk?

Mr. Speaker, I realize I have spoken for a considerable length of time on this bill, and I wish to emphasize, in concluding, that I have nothing whatsoever against the development and the money that this huge metropolitan area is getting. It is necessary to this province. But I do think the other areas are necessary to this city. Toronto has the money now, and it is getting more. We do not have it, and we would like a little extra.

HON. MR. FROST: Mr. Speaker, may I say that I think the hon. member in his argument has completely missed the point of the reason for unconditional grants. I am perfectly prepared to leave out of the argument altogether the matter of schools. It is perfectly true in the hon. member's riding there are some schools where we are paying to the extent of 75 and 85 per cent. In his whole riding we are paying, overall, between 50 and 60 per cent. of the cost of education.

MR. WHICHER: No, I am sorry; I just checked it.

HON. MR. FROST: I have the facts here: in Bruce county we are paying

between 50 and 60 per cent. of the total cost of education. However, leave that out.

In trying to deal with some of these conditions and problems, may I say there is no municipality in the hon. member's riding which is not receiving 50 per cent.—and there are some receiving up to 60, 65 per cent. and, I believe in one case, 70 per cent.—on road grants. I say that is done and devised intentionally to try and meet that situation.

I point out to the hon. member that the purpose of the unconditional grant was this: it was designed because of the objections of reeves and mayors of municipalities and councils across the province, that the province was passing on to the municipalities certain social service costs that should not be charged to real estate. I agree. I think there is very much to be said for that argument. I would say there is at least one government in office which has done something about it rather than merely talk about it, and that is why this government did that back in 1953.

In going into the question, we found it was not a practicable arrangement at all for the province to assume the social service functions that cost money. The minute the province assumed this function, the cost of doing business went up and it was costing the province twice as much money as the municipalities to look after, for instance, the children's aid societies.

Where in the name of goodness does the hon. member think the money would come from? The money for these functions would have to be taken from something else, from some other grants, or we would have to increase the taxes. We would have to find the money some place.

Therefore, on the municipal level it was found to be less expensive for the municipalities to run some of these services than for the provincial government to do so, if it were transferred.

What took place was this: the provincial-municipal committee sat down and devised a system of unconditional grants

which would still leave the municipalities responsible for performing these functions, but would give them the money to pay the costs. That is the principle, and I would say that all the answers to all of the questions which the hon. member propounds and raises, real and imaginary, are contained in the bill. If he would just take 5 minutes to read it, the answers are there.

The first part is part I of the schedule:

To assist each municipality in Ontario, the taxpayers of which contribute through municipal taxes towards the cost of administration of justice in a county, by way of unconditional grant: \$1.00 per capita.

That means that it costs Ontario for the administration of justice somewhat less than \$1.00 per capita. It is perfectly true that some communities, the county of Waterloo for instance, there are good people in that community, but sometimes they err in some of the things they do.

MR. WHICHER: There are some people elsewhere who err, too.

HON. MR. FROST: That may be. Of course, we all err. However, in some municipalities they have a very economical administration. That is true of the county of Victoria, which is another good place, and these communities should not be penalized. Therefore, we have given across the board, \$1.00 per capita. That involves Toronto, Victoria county, Waterloo county, and Essex, and other counties. That will not disturb the administration of justice, but in every case it will give them enough money with which to run the administration of justice, and in most cases will give them a little more.

I will say that for the first time in history, the province of Ontario is relieving the municipalities of the cost of the administration of justice.

I point out to the hon. member that the \$1.00 works out pretty evenly. In Toronto, it is about the same \$1.00 as it is in the county of Bruce or in the great county of Renfrew.

In the matter of social service costs, the explanation is right in the Act, it is part II:

To assist each municipality in Ontario in the provision of welfare and social services, including indigent and unemployment relief, hospitalization and institutional care costs and other services for its inhabitants by way of unconditional grant: \$2.00 per capita.

Mr. Speaker, in most of the rural municipalities the cost of such services is much less than \$1.00 per capita.

MR. WHICHER: It is not fair to take just those costs. Take the costs of government, including everything.

HON. MR. FROST: That is what the grant is for, and if the hon. member would only consider, he will see that this is something given to the municipalities in payment unconditionally of this particular thing. In no municipality under 2,000 population is the cost in excess of \$2.00. In a great many cases, it runs only 35 cents or 40 cents per capita.

We have taken \$2.00 across the board in the province and given them that amount. This means that no longer can it be said that social services are not paid for by the government of Ontario, because they are paid for and more than paid for.

When we get into these larger municipalities — I will explain this although I think it is crystal clear — I do not think the hon. member needs to attack metropolitan Toronto. I endeavoured to save the hon. member's party from losing all the votes in metropolitan Toronto. I think he pretty well succeeded in alienating everybody around here, and if he had kept on he would alienate all the votes in the rest of the province.

MR. WHICHER: The only one I want to alienate is the hon. Prime Minister.

HON. MR. FROST: Then, we have paragraph 3, and the hon. member should listen to this because it is written in these words so clearly:

In recognition of the larger per capita expenditures that municipalities with larger populations are required to make in the provision of welfare and social services, including indigent and unemployment relief, hospitalization and institutional care costs and other services for their inhabitants, the following per capita payments to municipalities having a population of over 2,000, in addition to those set out in part I and part II, by way of unconditional grant: (a) 10 cents per capita in the case of towns and villages having a population of over 2,000 and not exceeding 5,000.

Warton gets more than the township of "X" in the hon. member's community; I suppose Tobermory gets a little more than some other municipality, because of the clear recognition of the fact that concentration of population means more cost. That is carried through in 14 different classifications here, from a community having a population of from 2,000 to 5,000, it is carried through until we reach a community the size of Owen Sound, about 25,000.

In Owen Sound, it would mean there would be an additional \$1 or so added to the amount because it is meeting with heavier social services according to our records. I would point out that in the city of Owen Sound they have higher costs, and if one goes down to the city of Kitchener, a city of probably 100,000 people, of course they have a higher cost and they get a higher amount, because —

MR. WHICHER: What would it be in Long Branch?

HON. MR. FROST: Long Branch I think is in the metropolitan area. Here we have a concentration of over 1.25 million people, and in this area the social service costs run up to very large sums of money. My recollection is that in the

city of Toronto, at the time of the metropolitan bill, that the social service costs in the city of Toronto itself ran up to \$6 or \$7 per capita because of the concentration of population.

In the city of Toronto and in metropolitan Toronto, I doubt that the \$5.50 actually covers it.

Perhaps there is a small recognition of the fact that they have these larger systems, but these grants are given unconditionally to the municipalities to pay for these services.

The hon. member for St. Andrew raised this question. In 1955 it was a very difficult thing to assess. We gave to the municipalities across the board, \$1 per capita. The \$1 per capita that went to the city of Toronto amounted to about \$700,000, and the council of the city of Toronto spent that money, practically all of it, in caring for the social problems. At the same time, we gave \$1 per capita to the hon. member's community, and it is very doubtful if any of it was used for that purpose. It was given unconditionally and that is the basis of these grants.

These grants have been arrived at in compensation for the costs which these municipalities have in relation to social services, administration of justice and other things. If we set out to pay all social services in the county of Bruce, I doubt if we would pay any more than about 50 cents per capita. Yet we are contributing \$2 for that purpose. We are giving them adequate money to look after that problem.

In the city of Toronto, I suppose every cent of the \$5.50 has to go for social services because they are actually paying out that amount.

Unconditional grants were arrived at, not in any haphazard manner, but after a very scientific appraisal of the whole problem by this municipal committee. Even if this committee had never done anything else to prove its worth, the work it did in 1954 and 1955 would have justified its existence.

In the use of the term "unconditional grant", we understand in this assembly

the purpose of those words. However, it has more or less a symbolic meaning. This year on the tax bill we intend to place very clearly and in an understandable way what it is all about, and the hon. Minister of Municipal Affairs has the proposed formula to be used on the tax bill which will enable the municipal taxpayer to see the amount which the government is contributing to the municipality to pay for the administration of justice, for the social services and welfare costs which this Act is wholly and only designed to meet.

MR. WINTERMEYER: Mr. Speaker, in view of the hour, I was going to move the adjournment of the debate, but if the hon. Minister of Municipal Affairs wishes to make some comments to get this form before the House—

HON. MR. WARRENDER: Mr. Speaker, this is required under The Department of Municipal Affairs Act, Section 10(a), and it says:

In every year where possible the following paragraphs shall be printed or otherwise indelibly printed on every tax bill for every municipality.

There is another provision where it must be sent out by mail, but the form which must appear on the bill reads as follows:

The province of Ontario reduces the 1957 levy against the ratepayers of—

and then there is a space for the name of the municipality—

by contributing the following amounts: education grants—

and there are two columns on the right hand side showing the provincial payment both in dollars and in mills.

Highway grants.
Welfare grants.
Unconditional grants.

Contributions to assist in the case of (a) the administration of justice,

(b) welfare and social services, indigent and unemployment relief, hospitalization and institutional care and other services.

Then it shows the total provincial assistance in dollars and mills, so there will be no doubt in anybody's mind that these unconditional grants will help the little man, the home owner and the farmer.

MR. WINTERMEYER: Mr. Speaker, in view of the hour I move the adjournment of the debate.

Motion agreed to.

HON. MR. FROST: I would be very glad to give the House the costs which were arrived at by the committee on their deliberations on this matter in 1953. Of course, they would be somewhat changed, but the general idea would be the same.

MR. WHICHER: I just wish the hon. Prime Minister would work on the general principles that he used in the provincial conference and give to the have-not municipalities of this province, because they certainly need it.

HON. MR. FROST: I can assure the hon. member that is where a great majority of our grants are going.

In moving the adjournment of the House, may I point out to the hon. members that we convene at 3.30 tomorrow afternoon, and I propose to go ahead with the estimates of The Department of Education.

If there is the opportunity, I would like to complete the debate on this bill because we are very anxious to complete our arrangements with the municipalities for the very reasons which the hon. member for Oshawa mentioned, so we will proceed with that.

On Friday, I propose to go ahead with the estimates of The Department of Travel and Publicity. I am very desirous of getting back into the debate again, but I want to catch up if I can from the standpoint of the House on many of the items on the order paper, and I should think by Friday we will have more time for debate.

I can assure the hon. members, Mr. Speaker, that every opportunity will be given for debate on the subject matters on the order paper and elsewhere before the prorogation of the House which will not be for some time yet.

Hon. Mr. Frost moves the adjournment of the House.

Motion agreed to.

The House adjourned at 6.17 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Thursday, March 7, 1957

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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

THURSDAY, MARCH 7, 1957

3.30 O'CLOCK, P.M.

THE MUNICIPAL SUBSIDIES ADJUSTMENT ACT

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Reading and receiving petitions.

Presenting reports by committees.

Motions.

HON. G. H. DUNBAR (Provincial Secretary): Mr. Speaker, I beg leave to present to the House the following:

Annual Report of the Inspector of Legal Offices for the year ended December 31, 1956.

MR. SPEAKER: Introduction of bills.

THE PUBLIC UTILITIES ACT

Hon. W. K. Warrender moves first reading of bill intituled, "An Act to amend The Public Utilities Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, one amendment is to make it clear that utility receipts paid to a municipal treasurer may be used for current advances of the utility.

There is another amendment which has to do with public utilities for the carrying of pipes, wires and so on along the highways.

Hon. Mr. Warrender moves first reading of bill intituled, "An Act to amend The Municipal Subsidies Adjustment Act, 1953."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, the effect of this amendment is that the municipality from which territory was annexed will have the rates retained in that municipality for a period of 5 years following an annexation, and that any increase in rates as a result of the amendments to The Unconditional Grants Act will apply only to the annexing municipality.

MR. SPEAKER: Before the orders of the day, I would like to welcome a very distinguished guest to our assembly in the person of Miss Anna Kethly, the leader of the Hungarian Social Democratic Party and a member of the short-lived Nagy government following the October revolution. Miss Kethly is visiting Canada for the first time.

MR. D. C. MacDONALD (York South): Mr. Speaker, I wonder if I might be permitted at this time to add just a word? I do this partly with what I trust on this occasion will be pardonable pride, in that Miss Anna Kethly is leader of the Hungarian Social Democratic Party, part of a world-wide association of parties, which includes the party which I have the honour of leading. But even for a more important reason do I wish to add a word at this

time, and that is, that Anna Kethly is one of the heroic figures in Europe's continuing struggle for freedom.

Hon. members of this House may be interested in knowing that Miss Kethly entered public life first back in the days of the Hapsburg empire, in central Europe, as a leader of the trade union movement and of the social democratic party. She was first elected to the federal house of Hungary in 1922.

During the years of the Horthy regime, which has often been described as a benevolent dictatorship—its benevolence being that it permitted an opposition of some sort—the person who became the leader of the opposition during the years up until World War II was Anna Kethly. She fought against the use of concentration camps, against anti-semitism legislation, against the military alliance with Hitler.

When the country was overrun by the Germans, Miss Kethly went into the underground. In 1945 when the country became free, she was elected once again to the federal house in Hungary and became its deputy speaker. Then, in 1948, when the Communists came into the country she was forced to leave public life because of the attempt to integrate social democrats into a one-party set-up.

In 1950, Miss Kethly was arrested and spent 4 or 5 years in a concentration camp and only a year or two ago did she get out and become one of the members of the short-lived Nagy government in the glorious revolution of last fall.

I think it is noteworthy that in the last two or three months she has been the main voice of Free Hungary, making representations at the United Nations. In the last few weeks, there has been organized in Europe at Strasburg a revolutionary council and a Hungarian national government representation, in effect, a government in exile. Miss Anna Kethly is the chairman or the president of this organization which represents the focus of the continuing struggle.

I am sure that, irrespective of party, all hon. members of this House will not

only express warm tribute to Miss Kethly, and through her to her people, but our very best wishes in her work as the struggle continues to bring freedom back to Hungary, a freedom which her people so richly deserve.

HON. L. M. FROST (Prime Minister): Mr. Speaker, might I add a few brief words of welcome to Miss Kethly to this great province and to this great country. I hope to have the pleasure in a very few minutes of meeting Miss Kethly personally, and it will be a personal pleasure to extend these greetings to her.

It is indeed a great pleasure to have Miss Kethly with us, and to have coming to our land these fine Hungarian people who are going to make fine citizens of our country. We want to express to Miss Kethly our very best wishes for the future, for we look forward to the day when Hungary will be as free as we are in this country. I do not think we will be satisfied until that day comes.

As I mentioned once before in this House, in relation to this Hungarian matter, it is about 98 years ago since the President Lincoln to-be said of government that his country could not exist half-slave and half-free. He did not expect there would be no government, but expected that it either would be slave or that it would be free, and I think those words which were highly controversial in that day apply to this day.

I do not think this world can exist half-slave and half-free.

I am satisfied it is going to be a free world. I do not think the spirits of people can be subjugated indefinitely; I think it will be a free world, and prophesy for Miss Kethly and her country it is going to be a free Hungary.

Mr. Speaker, we all join in wishing her well and welcoming her to our country, and along with her the thousands and tens of thousands of her countrymen and countrywomen who are going to make Canada their home.

MR. F. R. OLIVER (Leader of the Opposition): Mr. Speaker, I want to join with the hon. Prime Minister and the hon. member for York South in extending a real welcome to this great patriot, this woman who has fought so hard and suffered so much in order that her country might have freedom.

It seems to me if there is one lesson we in Canada can learn from the revolt in Hungary, it is that we in this country regard the great freedoms we possess altogether too lightly. We take them too much for granted, as though they were handed to us on a silver platter.

In Hungary there was an indication — and I am sure there still is — that the people are prepared to give their all for freedom. We, in this country, have never been put to that test. We should learn from their experience that freedom is such a great thing that we in this country who enjoy that freedom now should always be on guard lest we lose it. We have never had to fight for our freedom; we have never had to suffer for it. It is worthwhile fighting for and worthwhile suffering for. So let us, in this country, take a lesson from what has happened in Hungary, and have full appreciation of those who participated so nobly in that great event.

MR. SPEAKER: Orders of the day.

HON. MR. FROST: Mr. Speaker, with the permission of the House I would like to follow this order today. Tonight most of us have a very important engagement, and I think it is desirable that we should not prolong the sittings of the House.

Therefore, I am going to suggest that we should, if possible, complete the second reading of order No. 34: That is The Municipal Unconditional Grants Act which was adjourned yesterday; and also give second reading to order No. 40, which is The Municipal Act; and order No. 41, The Municipality of Metropolitan Toronto Act.

The purpose is this: upon these Acts depend the methods of dispensing the

unconditional grants, and it is desirable we should have the agreement, in principle, so that The Department of Municipal Affairs can go ahead with their work. I have no desire to restrict debate, and if there are hon. members here today who would like to speak, if they would agree to postpone their remarks to the committee stage of the bill, it would be satisfactory to me.

Following that I would go into estimates of The Department of Education. These estimates are highly important and I do not want to rush them. Following the remarks of the hon. Minister of Education (Mr. Dunlop), we might go to the consideration of vote 411 of the estimates which deals with legislative grants.

Subsequently we can proceed with all items of the estimates. There will not be any restriction on debate at all, but I would like to take those 4 items and, if possible, clean them up in principle this afternoon. Therefore, Mr. Speaker, I would call order No. 34.

MR. OLIVER: May I say to the hon. Prime Minister, is it my understanding we should not have debate on the second readings?

HON. MR. FROST: No. I think we can cover everything this afternoon.

CLERK OF THE HOUSE: Order No. 34, the resumption of the adjourned debate on The Municipal Unconditional Grants Act.

THE MUNICIPAL UNCONDITIONAL GRANTS ACT

MR. J. J. WINTERMEYER: (Waterloo North): Mr. Speaker, in conformity with the wishes expressed by the hon. Prime Minister — and I think they are understandable wishes, as we do want to adjourn early today—therefore, with his permission, if we become involved in this, I would like to again adjourn the debate and continue at the committee stage.

I think the hon. Prime Minister will agree this a very important bill, and in our desire to hurry it through, we certainly do not want to miss the action of threshing out this matter.

I suggest the best way to introduce the comments I intend to make is to ask the simple question, what is the basic problem? As I see it, the problem of our provincial-municipal relationship is to determine the policy to be followed. That is, are we to finance our provincial-municipal relationship on a grant system, or are we to invoke some other system?

For my part, I am quite ready to acknowledge at the outset there is a lot to be said for the grant system; a lot to be said for the per capita grant system; a lot to be said for the effort this government has made to alleviate the costs of criminal justice as a burden on the municipalities.

On the other hand, I do think there are a lot of dangers in attempting to pursue that course to an indefinite point. The government has committed itself to the per capita grant. In the budget debate I suggested that we are married to that idea, and would like to emphasize that point.

In order to analyze this matter properly, we have to acknowledge the government is taking the position that the best way to assist our municipalities is by contributing a certain amount of dollars per person in the municipality.

I do not think that should be our ultimate objective. If I may define it very generally, our ultimate objective should, and must, be to effect responsible government at the municipal level. I am afraid that the system we are now using and invoking is bound, eventually, to bring about irresponsible government. What in effect we are doing is using the grant system to assist governments at the municipal level in not assuming certain responsibilities, which I feel they should assume, on their own.

I agree it would be foolish for me to stand here and say I am "agin" giving

them more money. That is not the point. It is not a question of dollars, it is a question of principle. I quite agree, there is not a municipality that does not want, and does not need, the money that is to be given.

But the question is this: can we afford to give more and more money to finance more and more activity at the municipal level? If we persist in our tendency, it is bound to have the result that the municipality will expect more and more money from the government. Surely, there must be a defined limit, a defined area within which we are prepared to afford assistance, and beyond which we are not prepared to go.

If I may pursue the second thought, it seems to me the time has come when we have to sit down and decide once and for all what are the responsibilities of municipal government and what are the responsibilities of the provincial government. Generally, we could define that in this Legislature without too much debate, and without too much difference of opinion. It has been suggested on innumerable occasions that the costs of criminal justice are, basically, a provincial responsibility. It has been suggested that welfare is likewise a provincial responsibility.

What is happening is that the government, by means of a per capita grant, an equal amount of dollars to each person in each municipality throughout the country, is attempting to absorb, at the municipal level, the costs of these particular functions.

But do the municipalities interpret it as such? I suggest that they do not. They do not feel that, as a result of what we have done and are doing, they are relieved of the expense of criminal justice and the expense of welfare services, and that they are responsible for these services that we normally think of as municipal services, including roads, and local improvements.

I think the time has come when we must define, specifically, these responsibilities. The time has come when we have to perform some surgery on this

particular problem. We can attempt treatment in an internal medicine way, if you will, and hope for the best. We should, at this particular stage of our development, decide what their responsibilities are, and what our responsibilities are.

I know the hon. Prime Minister is going to tell us that if we do that we are going to be up against one major difficulty. He will say that, if we assume responsibility for welfare services, it is going to be a far more costly service than at the present time because it will cost the provincial government more money.

That may or may not be true. I do not think we have to accept it as absolutely true. In effect, the suggestion is being put forward that the municipality will not exercise the same degree of economy and thrift when spending money at the provincial level as when they are spending their own money. I am confident that, with some ingenuity and some little care, the money could be expended at the municipal level with just as much economy as at the present time.

What I am basically interested in is the tendency that we are encouraging municipalities to depend, more and more, on the provincial government. Therein, I think, lies the crux of this whole problem. I feel our principle and our desire should be to engender more responsibilities at the local level.

I quite agree the property owner is subject to an onerous burden at the present time, but that does not mean we have reached a saturation point for taxation at the municipal level. There are other forms of taxation which can be used and should be effected in the discretion and wisdom and choice of the municipal governments.

Remember this, we are not dealing with irresponsible men; we are dealing with men who are experienced, capable, who know the local situation, and can encourage and develop this trend. I sincerely feel that if we were to give the municipalities the opportunity to exercise their own ingenuity, in respect to certain

responsibilities, that they would be specifically responsible for them. In that way we would be doing something to develop the municipal governments in Ontario, and thus far we have neglected to do this.

We would give them an opportunity to choose at the local level. We would develop in the municipal governments the feeling that they are responsible and that their government officials are important.

I feel, at the present time, the municipal governments have been degraded to a substantial degree. They feel, in effect, they are not permitted to administer certain funds that are provided by the provincial government.

That should not be the case. In certain municipalities, as I have said before, if they have the ingenuity and ability, that should be developed and they should be encouraged to do so, without any limitation on the manner in which they can raise money. There may be many ways which are far more equitable for assessments, as such, and I believe they should be given sound encouragement to pursue their individual ingenuities.

If we do not arrest the grant system eventually, the municipal government at that level is bound to disappear, because as some hon. member on the other side has said, the man who pays the money calls the tune, and that is very true. If we are going to pay more and more dollars, the municipalities are going to expect more, and the more money we pay to the municipal governments, the more they will expect of us over a period of time.

I am not suggesting for a moment that they do not need money. But the hon. member for York East (Mr. Beckett) made what I think is a very worthwhile contribution to this House when he said that, in the state of New York, they recognize the fundamental need to restore responsible municipal governments to the municipal level, and suggested it is wise and important and necessary to pursue the idea of permitting municipal governments to raise revenue from

sources other than the traditional land owners.

In that connection, I would remind hon. members that it is often wise to look to neighbouring jurisdictions; we compare ourselves often with other provinces, but the fact is that, comparatively speaking, our whole industrial and general economy is probably more tuned to the state of New York than to many of our sister provinces.

There are many sources from which revenue may be raised. It is not necessary that I detail them. Somebody, perchance, might say, "Well, it would not be economical to do so; maybe it would be economical that we permit the municipalities to decide on the manner in which they want to raise their revenue, and we effect the collection for them."

I do not want to get into that detail at this particular time. I think the House expects that we keep our comments as brief as possible in the realization that we can pursue those comments later.

But the point I want to make is that I do think we are heading in the wrong direction. In our efforts to give per capita grants, we are effecting a degree of irresponsibility at the municipal level for which we are all going to be sorry some day in the future.

With respect to this particular bill, I quite acknowledge that it is an effort to assist the land owner, to effect the unconditional grant, or to make the payment of the unconditional grant in such a way that they, the residential land owners, get the whole benefit.

But is it not something like giving the child a lollipop before breakfast? We cannot expect that the child is not going to eat the lollipop before he undertakes the breakfast. Therefore these municipal governments, knowing that this money is being contributed, are necessarily going to spend it on projects before the money is allotted in the reduction of their tax rates.

I think it is ordinary common sense to feel that will be the result. All one has to do is read the metropolitan news-

papers, and he will see that many suggestions have been advocated for the use of the money which will be made available in this manner. It will not be used, I suggest, to effect the basic purpose that was intended—alleviate the residential taxpayer.

In order to hurry through my presentation, there is only one other point I want to make. It does seem to me that the grant system is an outgrowth of the old subsidy. It is quite true that, to the extent that it is required to subsidize certain areas, the grant system is a good one. But I ask the hon. members whether or not it is an equitable system when it is related to a per capita payment.

I suggest that a far better way to determine the need of a particular municipality would be to ascertain what amount of money can be raised in the particular municipality by virtue of our equalized assessment, and then again, determine how much money is being raised in that particular municipality by what we would term a reasonable levy, a reasonable tax rate, and try to make up the difference.

In simple language, may I put it this way:

We are going to have an equalized assessment within a matter of short time. Once that is effected, it will be relatively easy to determine what rate, what levy, should be charged against that equalized assessment for basic municipal services.

For the sake of argument, suppose it is 25 mills. This levy would then be charged against the assessment in each municipality. The amount of money which that would produce could be pre-determined, and it could likewise be pre-determined whether or not that amount of money in the particular municipality is sufficient for the municipality to exercise its responsibilities, in regard to those things for which we think a municipality is basically responsible.

In those areas where there is a differential, that is, where the grant should

be paid, that is for whom subsidies were be an equalized payment across the intended, they were not intended to board, but instead they were intended to be of assistance to those uneconomical areas, where, by virtue of normal and natural rates of taxation, insufficient revenue was produced to permit the government to carry on its responsibility.

I suggest that the measure of our equalization payments from the federal to the provincial level is a far more equitable way of effecting grants than the per capita grant as such, and I suggest that this be given serious consideration.

While it is true today nothing serious is going to happen, the fact of the matter is that we do accept this system of financing our municipal governments as the correct and only system. As a result, we necessarily are going to destroy the responsibilities of our municipal governments, and that, I suggest, is not the wish of any hon. member in this House.

Therefore I suggest that we give this matter serious debate before we determine and settle upon the policy which the government has suggested, that is, that the way to finance our municipal governments and the way to assist them is by virtue of, and inherent in, the per capita grant.

Mr. Speaker, with your permission, I am going to bring these remarks to a conclusion because I quite appreciate the fact that we are going to adjourn early, and because I do appreciate the opportunity that has been afforded to all of us to speak on this same matter later on. Thank you very much.

MR. JAMES AULD (Leeds): Mr. Speaker, I wonder if I could ask the hon. member for Waterloo North a question. The hon. member mentioned a moment ago that the system of grants, as between the federal and provincial governments, was a better method, and I would like to know whether he applied that reasoning to the formula on which

those grants are based in relation to the situation in Alberta at the present time.

MR. WINTERMEYER: Mr. Speaker, I think that is a very understandable and justified question. What I meant and intended to say is that I thought it was a more equitable system. I would not suggest that it could be invoked on the provincial-municipal level as such, but the point I wanted to make was this, that at least at the federal-provincial level a determination is made in terms of income, in terms of buying power, to determine where the particular stress is and where the subsidy should be made and paid.

I am not suggesting that the same formula be used. All I am suggesting in broad language is that there are some areas that require more assistance than others, and that it is in those areas where our assistance should be given.

To determine what the assistance should be let me say this:

In view of the fact that we are to have an equalized assessment, it will be a relatively easy job to determine what a fair levy on real estate would be to carry the particular responsibilities which we should assign to the municipal governments. That determination having been made, according to the figure I suggested of 25 mills, it would be a matter of assessing those municipalities wherein the 25 mills did not provide sufficient revenue to execute the responsibilities that were determined they should execute.

MR. AULD: Mr. Speaker, I am not sure I understand the explanation of the hon. member. In this matter of 25 mills, which is a figure taken out of the air, is he speaking of the responsibilities that real estate itself should bear, things like fire protection and police protection?

MR. WINTERMEYER: Yes. What I had in mind, Mr. Speaker, was this: there are certain things that we would agree that real estate should bear. I do not think there is any doubt, for instance, that some of the traditional

municipal responsibilities are directly related to real estate and I think they should continue to be so.

I would relate the 25 mills, which I admit has been "pulled out of a hat", to those specific responsibilities. If the municipality has more, or certain frills, or wants something that, in its discretion, it feels will be of assistance, it should be required to raise that money other than on real estate, and be afforded the opportunity to levy taxes accordingly.

HON. W. K. WARRENDER (Minister of Municipal Affairs): I ask the hon. member what sources of revenue for the municipality has he in mind?

MR. WINTERMEYER: That is the \$64 question. The hon. Minister of Municipal Affairs has frequently pulled the curtain in front of similar questionings from his side of the House.

There are innumerable ways and the hon. Minister knows them. I am not going to detail or tie myself to any one. It seems to me if we had a committee of this House where experts could be brought forward, we could soon ascertain what, in the opinion of the experts, would be the most expeditious manner to raise additional money.

The hon. Minister knows there are many sources. It has been suggested by the hon. member for York East that a sales tax at the municipal level might be a very equitable tax. I am not suggesting it as such, but as one of the sources which should be considered.

HON. MR. FROST: Mr. Speaker, may I point out to the hon. member that the difficulty is this: if the taxes are collected in Kitchener and in Wiarton, then the have-not municipalities would have nothing additional to assist them. The hon. member had better have a talk with the hon. member for Bruce (Mr. Whicher) on that.

MR. WINTERMEYER: Mr. Speaker, we do not want to be sidetracked from the particular issue. I

thought the hon. member for Bruce did very well yesterday. It is quite true that in this great party there are slight differences of opinion, and I do not think there is anything objectionable about that.

The hon. member spoke to a point about which he is very sincere. I think he has a point, in effect, that certain of the areas in this province need material additional assistance. Beyond that, I suggest that we go back to the point which I was trying to make, which is simply that, in terms of principle, we are following the wrong course. We are making municipal governments more and more irresponsible and that, I know, is not the wish of anybody. I am not saying it is being done deliberately, by any means, but I suggest that is the effect of the per capita grant.

HON. MR. FROST: Could not we leave this until we get into the committee stage?

MR. T. D. THOMAS (Oshawa): Mr. Speaker, I have no intention of prolonging this debate. This is one time when I agree with the hon. Prime Minister. There is every reason why this should be speeded up. After all, it is two weeks today since the hon. Provincial Treasurer (Mr. Porter) brought down the budget in this House, and we are still floundering around, and the municipal governments outside are waiting for help from The Department of Municipal Affairs.

I will be very brief about this, because I agree that we should get on with the debate.

The hon. Minister of Municipal Affairs had a piece of notepaper in his hand and said, "This is the formula." Up to now I cannot find out what the formula is. The only statement he made was that the tax bills of the local governments should go out, and on the back there should be recorded the amount of grants received for education and other things from the provincial government.

But he has still not mentioned that the per capita grants—the 3 grants—must

go to farm and residential taxation, and I am waiting to get that statement from the hon. Minister.

HON. MR. FROST: The next bill will deal with that.

MR. THOMAS: The next bill; all right.

MR. OLIVER: On Bill No. 103, there are two fundamental points that I want to address some remarks on for a few moments.

I appreciate, Mr. Speaker, that this bill gives more to the municipalities than we gave, for instance, last year. This, of course, is necessary because the need for help in the municipalities is greater than it was a year ago.

However, I think we should consider this rather pertinent point, that with these increased grants year by year from the province to the municipalities, we are setting up this sort of situation: The municipalities are becoming increasingly dependent upon the province to help them out of their financial difficulties. The province is now giving to the municipalities a very substantial portion of their income by way of provincial grants.

I am not suggesting that we could alter that at the moment, but I am saying to this House that there must be a better way than this continual increasing of grants, because this increasing of grants can undermine the authority of the municipal governments. They are rapidly being put in the position of coming, hat in hand, to the provincial government and, on bended knee, entreating them to meet their financial requirements.

I suggest to the House that it is pointing up to a very real problem, and I think the hon. Prime Minister is aware of what I am going to say. I believe that, rather than making the municipalities more dependent upon the province, we should be going in the other direction. We should be loosening the bands that are presently around our municipal governments, giving them more self-deter-

mination in their own municipalities, giving them the authority and the revenue by which, and through which, they can work out their own destiny and be more of a master in their own house than they are at the present time.

Whether we are going to achieve that end by broadening the base of taxation for the municipalities, or whether we are going to attain that end by the province assuming some of the responsibilities presently cared for by the municipalities, is a question that should be debated thoroughly.

I do not subscribe entirely to the theory expounded by the hon. Prime Minister yesterday that, if the province takes care of some service presently carried on by the municipality, it is going to mean a very decided increase in the cost of that service. I am content, so far as I am concerned, to leave that with the municipality. I am confident that we have in the government of our municipalities today very capable men who will want to care for that service in a way that will reflect their own good judgment, and in a way that will keep down the cost.

I suggest that, while this bill is a step in the right direction in the midst of the difficulties that we are presently experiencing, I want to throw out a warning, which the hon. member for Waterloo North did very eloquently a few minutes ago, that we should not marry ourselves to this project. We should not say, once and for all, that the only way to deal with the financial matters of the municipality is to keep on increasing the grants from the provincial government.

There is, and there must be, a better way. If there is not, then the municipality is going to disappear as an entity. It is going to be simply a hewer of wood and a drawer of water for the provincial government, and no hon. member in this Legislature wants that condition to come about.

While we approve of, and will support the bill in question, we throw out the warning, and throw it out very definitely, that we cannot go much further

along this line and expect to retain the identity of municipal government in this province.

I want to say a word about the bill itself. In the grant system contemplated under this bill we have the \$3 basic rate. With that I have not any quarrel; but to come, as was suggested by the hon. member for Bruce yesterday, into the escalator clause which gives certain municipalities 10 cents and certain others up to \$2.50, the point I want to make in regard to this matter is this, that the \$1 per capita is presumed to take care of the cost of the administration of justice.

It takes care of it in this way, that it is not an actual figure that is related to the cost of justice in any particular area. It is an average arrived at when the costs of justice in the province were pooled; and then we came up with a figure of \$1. In some areas that will be more than enough to take care of those costs; in others it will not compensate the local municipality for the cost of justice.

When we come into the field of welfare services we find this: that the government is not giving a grant that is supposed to take care of all welfare services in the municipality. They are giving what can properly be called a grant-in-aid—a grant to aid the municipality to take care of part of the cost of carrying on welfare cases.

The point that I want to make quite clear is this, that these two particular grants, and any others that are in a like category, are dangerous because of this reason. They are not tied to the actual cost of the service presently being performed in the local area, and they are not definite so far as the government is concerned. They may increase them next year; they may lower them. Nobody knows. Under this government, that is more clearly set out than under any other government.

HON. MR. FROST: We always increase them. That is the point.

MR. OLIVER: They are always increased?

MR. WHICHER: This government takes a lot more away.

MR. OLIVER: They take away with one hand twice as much as they give with the other.

MR. G. LAVERGNE (Russell): The hon. Leader of the Opposition knows that that is not right.

MR. OLIVER: That is quite sufficient from the hon. member for Russell.

The point I want to make, if I can, is that in years in which there is good revenue coming into the province, in years in which they can hardly find places to put the revenue they receive in such abundance, they increase the grant to the municipality for the administration of justice and for the care of welfare costs.

There is no guarantee that the government is going to continue these grants in the days to come. There is, similarly, no guarantee that the present level of prosperity will continue for 5, 6 or 7 years; and if it does not continue, then the municipality is going to be left in this position, that while the revenue from the province may be depleted — because of the grant given — the cost of these services to the municipality will increase.

The grant is not tied to the cost of a service. It is simply a grant-in-aid that is made in fair weather and may be abandoned in foul weather.

I suggest that this is not a solution. It is a sort of stop-gap measure and is simply not good enough.

If the government is sincere in wanting to pay for the cost of administration of justice and welfare costs of the municipality — if it really thinks that welfare costs are a provincial responsibility — then let it go out into the field and take over the costs of welfare in the municipalities and take over the costs of the administration of justice. Let it take these loads off the municipalities and give them a chance to breathe fresh air again, because the

thing it is doing with these grants is simply postponing the inevitable. It is a stop-gap bill and not a very good one at that.

MR. MacDONALD: A political tranquilizer.

Motion agreed to; second reading of the bill.

THE MUNICIPAL ACT

Hon. Mr. Warrender moves second reading of Bill No. 101, "An Act to amend The Municipal Act."

MR. OLIVER: The hon. Minister should say something on this bill.

HON. MR. WARRENDER: That was my intention.

This Bill No. 101 indicates the mechanics of the application of the unconditional grants as set out in Bill No. 103 which we have just accepted.

To the hon. member for Oshawa I would point out that there is a reference, as I say, to the application of the mechanics of these unconditional grants, and how and to what they should be applied. I think that is fairly clear in the bill.

If I may, for a moment, speak on The Municipality of Metropolitan Toronto Act, which is Bill No. 102 (The Toronto Act) the same principles apply as set out in Bill No. 101 and covers the 12 municipalities of metropolitan Toronto.

MR. WHICHER: Mr. Speaker, I have one more question. In the explanatory note it says definitely that this bill is for the benefit of residential and farm properties.

HON. MR. FROST: That is right. Those are the people we want to help.

MR. WHICHER: That is my question: admitting the administration difficulties of the exclusion of large apartment buildings as residential prop-

erty, does the hon. Minister not believe that in spite of this difficulty the owners of these large businesses should not be subsidized by other businesses, as is certainly done by this bill?

HON. MR. FROST: That matter has been fairly discussed.

MR. WHICHER: Only by the hon. Prime Minister, not by this House.

HON. MR. FROST: I am here to discuss it with the hon. member now for a change. Perhaps now I may be more successful in persuading the hon. member that this is the right course and I can assure the House that it is the right course.

I drove this afternoon with some of the hon. members of this House through a portion of this city, and saw several large apartment blocks. The hon. Attorney-General and one or two friends were with me, and we were looking at them. Those apartment blocks are filled with—I was going to say little people—

MR. WHICHER: And owned by big people.

HON. MR. FROST: No. By little people, or the average people who are in this House; those one may see walking along the streets. Is this not plain common sense that, if we increase the taxes on these residential blocks, somebody is going to raise the rent? Of course he will. It is also plain common sense that, if we reduce taxes on those places, then it follows that there is every justification for a reduction in rent.

MR. MacDONALD: Is that mandatory?

HON. MR. FROST: That is the principle of this thing.

MR. MacDONALD: Is it mandatory in the Act?

HON. MR. FROST: No, but those things are very difficult to make mandatory. However, with the reduction of

taxes, naturally there is the urge on the part of the tenant to request and be granted a reduced rent. The opposite is the case. If we tax these people on an industrial basis, then their tax rate is going up and the landlord is going to go to the little tenant and say, "I pay my taxes and therefore the rent will go up." There is every reason for doing what we are doing. We looked at it very carefully.

Mr. Speaker, let me give the hon. member another example: He knows some people probably in Wiarton, just as I know some people in Lindsay, who own several houses. That is the way they invest their money, they buy houses. I know one individual in my community who owns several houses. He does that as an investment. It is arguable, of course, that if you reduce that man's taxes, it benefits him from an investment standpoint.

But remember this. First of all, how would the hon. member apply the principle? How would he ever work it out in The Assessment Act, or any other mechanics, to leave him out and find a residence where one person or one family lives? He could not do it. It cannot be done. That man may own half-a-dozen houses and of course each one of those houses is a residential property, and if there is a reduction, I imagine there will be a tendency on the part of the tenants to say, "Mr. So-and-So, you are paying less taxes, pass along some of that to me in reduced rent." I think that would be the case.

In the converse, I imagine the hon. member for Bruce, if we were increasing the tax on them, would rise and complain: "Here are thousands of little people living in rented properties, and this government is going to increase taxes, and these selfish landlords are going to 'jack up' the rent." Mr. Speaker, what would you do? I am certain you would take the position we are taking. I can assure the hon. member that we are taking the part of the little man in this problem and we are looking after him.

MR. WHICHER: Mr. Speaker, in following it up just for a moment, I would like to say there is no more justification in what the hon. Prime Minister has said in reducing the taxes on these huge apartment buildings than there is in reducing the taxes on the T. Eaton Company. There is just as much chance that, if this government reduces the tax on Eaton's or Simpson's, they will lower the prices of their goods, as there is of these landlords reducing the rentals to their tenants. There is just about as much chance.

MR. MacDONALD: Mr. Speaker, without taking a great deal of time I would like to add my weight to this argument. Surely, if the hon. Prime Minister has as his intention in this legislation to relieve the burden of the residential, the little man whose cause he is not championing, there should be some indication in the Act, as far as the apartment owners are concerned, that the tax reduction must be passed on to the tenant.

The best the hon. Prime Minister can claim is that the taxes would not go up because of the government's action. But the purpose of the legislation is surely more than to avoid another tax increase. Its purpose is a tax reduction, which should be passed on to the tenant. Any tax increase should be passed on quickly. But we have no assurance that it is going to be passed on to the tenant at all.

Even if this government wants to avoid the administrative difficulties involved in making it mandatory, that apartment owners pass on the reduction, there should be some indication that it is this government's intention that any saving to the owner should be passed on, so that the tenants will have some moral ground to stand on when they argue their case for lower rentals. Otherwise, how can they share in this bonanza from the government? There is no such assurance here, and the hon. member for Bruce is absolutely correct: One might as well be so naive as to believe that Eaton's are going to reduce their prices if their taxes are reduced.

HON. MR. FROST: The obvious difficulty is this: Are we going to institute or reinstitute a system of rent control? I do not think that is a practicable suggestion at all. It would seem from the figures I have heard that the reduction in residential rates in metropolitan Toronto by this arrangement would average out about 4.95 mills.

MR. WHICHER: It would be over 5 mills if the apartment buildings were charged.

HON. MR. FROST: The tax on the individual apartments is reduced by that much. I think the tenants are going to ask for reductions in rent, and I point out in the converse that the tax on industrial property by means of this is not going to correspond. It works out on the basis of about 1.9 mills on the average.

The point is this, that about half the industrial and commercial rates of that amount is deductible as an expense. In business it is passed on as a cost of business in the ordinary course. The little man who has not had the opportunity of passing it on is getting the benefit.

This is a sweeping reform in the conception of real estate taxation, and I would say to hon. members of the opposition that there would be no equity in leaving out of this some of these huge apartment buildings where people live. If that was done, we would be doing the opposite. We would be picking on the apartment houses where people are living and paying rents.

I believe hon. members from Toronto will agree there is a good deal of competition in apartment houses. There are a lot of vacancies at the present time. Apparently we have taken care of the housing situation which existed a few years ago. We would be doing the converse if we did what the hon. member for Bruce, without thinking, has proposed to this House.

MR. WHICHER: I thought about it for quite a while.

HON. MR. FROST: Here is what would happen. Instead of giving the apartment house man a reduction of nearly 5 mills in his tax rate, we would be including him in the industrial assessments and commercial assessments, and we would be increasing the taxes on every apartment house in this city. I ask the hon. member for Bruce if he does not think that would be perhaps a lead to an increase of rents? What we are doing is taking a sound advance on the reduction of rents.

MR. WHICHER: Mr. Speaker, may I ask the hon. Prime Minister: what about private hotels in smaller centres where they have 10 or 15 rooms? They have to pay this tax, and people live there all the year round, and it is not fair.

MR. MACAULAY: What is wrong with that?

MR. MacDONALD: Mr. Speaker, let me make it clear, I am not arguing against the apartment owners sharing in this if it is passed on to the tenant. My question is this: a couple of years ago, when some form of unconditional grant was made available to meet the problem of many municipalities because of direct relief costs due to unemployment, there were some municipalities which indicated they were going to use it in other ways than those for which the government had made it available. Very quickly the government issued a directive that this was to be used for the purposes for which it was given. This was a mandatory kind of proposition though presumably it was not a statute at all. Is the government in this case willing to make a directive that the reduction must be passed on to the tenant?

HON. MR. FROST: That is a very difficult matter, but I am quite sure that reductions in taxes coming about by way of this legislation certainly should be passed on to the tenants.

Motion agreed to; second reading of the bill.

THE MUNICIPALITY OF METROPOLITAN TORONTO ACT

Hon. Mr. Warrender moves second reading of Bill No. 102, "An Act to amend The Municipality of Metropolitan Toronto Act, 1953."

He said: Mr. Speaker, as I said before, this is the same principle extended throughout the metropolitan area through its 12 municipalities.

MR. WHICHER: Mr. Speaker, I have just one remark regarding this bill: I would like to draw the attention of the House to subsection (2) of section 2, which says:

In preparing the estimates, the metropolitan council shall make due allowance for a surplus of any previous year which will be available during the current year —

I bring that to the attention of the hon. Prime Minister to show that, even in huge municipalities, such as metropolitan Toronto, the laws of this province demand that there be no surplus. This is contrary to the Hydro-Electric Power Commission of Ontario.

Motion agreed to; second reading of the bill.

HON. MR. FROST: Mr. Speaker, I move that you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

ESTIMATES, THE DEPARTMENT OF EDUCATION

MR. F. R. OLIVER (Leader of the Opposition): Before the hon. Minister (Mr. Dunlop) rises may I say I am a little concerned. Is the hon. Minister going to make quite lengthy remarks at this time?

HON. L. M. FROST (Prime Minister): The hon. Minister says they will be relatively brief. I was going to say, in connection with the estimates of The Department of Education, that I would like to move at once to vote 411. I do not think we can finish the estimates of The Department of Education today, but I would like to deal with vote 411, that is the legislative grants.

MR. D. C. MacDONALD (York South): Is he suggesting we do that directly?

HON. MR. FROST: Yes, that is right.

HON. W. J. DUNLOP (Minister of Education): Mr. Speaker, before commencing the introduction of my estimates, I should like to pay my tribute of respect and affection to the memory of the late Dr. J. G. Althouse, the greatest educationalist of his time in North America. His passing on August 2, 1956, was a severe blow to me personally, because we had been intimate friends for 30 years or more, and it was also a heavy loss to education in this province and in this Dominion.

Few realize how much the people of this province owe to the late Dr. Althouse. He was a man of excellent judgment, good common sense and the ability to look forward and to plan for the future. He was a loyal counsellor and a great Canadian.

Mr. Chairman, in introducing estimates for The Department of Education, may I call your attention to the fact that I am the man who, a few weeks ago, was pictured eloquently and emphatically by the hon. Leader of the Opposition as a man standing in the midst of a burning house, ignoring the fire and doing nothing to quench it.

Let me tell the hon. Leader of the Opposition that it was a false alarm which originated in his own vivid imagination. He has not yet been able to tell me where there is a school or a classroom which is not operating for lack of a teacher.

I notice in an editorial in the *Toronto Daily Star* today that I am asked to have a look at the advertisements for teachers in the *Toronto* papers. May I reply to the editorial writer that I have seen those pages and they look very good to me. There are many, many advertisements there for teachers. May I point out that the school boards and boards of education of this province co-operate with The Department of Education very nicely in this respect, that they do not advertise for teachers, although there is no compulsion to do so, until the first week in March.

Further, they undertake not to "raid" the college of education until a specified time. The other boards who are looking for elementary teachers also undertake not to "raid" the teachers' colleges until a certain date.

Those advertisements show that a great many boards are wanting teachers.

Here is the other side of the picture. In the college of education today there are 264 students, most of whom will surely be ready for teaching next September. There are 83 students there in the industrial arts course. Then let me interject that there are 306 school boards having jurisdiction over secondary schools in this province, which I have informed that I am sending a man over to the "old country" to get teachers, because I understand that there are 200 secondary school teachers who would like very much to come to Canada.

Of those 306 school boards, only 38 to date have asked for British teachers, and so I would suppose that we may not get the 200 from Britain, but 100.

Then, we are putting on our 10 weeks' course in the summer which is now receiving approbation from all sorts of expert educationalists. Under ordinary conditions there will be at least 400 enrolled in that 10 weeks' course who will be ready to teach next September. Some 64 teachers from other provinces have intimated that they want to come here. Also, 136 fully qualified teachers of some years ago have intimated that they are coming back into the work again; and 48 elementary school teachers

have qualified as secondary school teachers.

So, Mr. Chairman, although the *Toronto Daily Star* may call attention to these advertisements that so many boards are wanting teachers, according to my forecast there are going to be 1,095 new teachers ready to go to work in the schools. Those advertisements do not call for anything like that number. We are going to have plenty of secondary school teachers ready for September.

In recent weeks I have received visits from delegates of rural trustees. I remember that I had two from the county of Brant, and one each from Middlesex, Lambton and North Huron, and they were in on business regarding township areas and school sites and so on. In each case when I had an opportunity, I asked, "Are you having trouble getting teachers?", and the answer was, "No."

Understand, these are representatives from rural districts.

I questioned them further: "Have you any teachers who have graduated from the first 6-weeks' summer course?" "Yes." So I said, "How are they getting on?", and they replied, "They are doing very well."

Then, in each case, I said, "Then what is all this I hear about a teacher shortage?", and I was told, "There is no such thing." "Oh," I said, "I heard a great deal about it." "Oh," said one of them, "that is political bunk." And I suppose, Mr. Chairman, that is it.

May I inform hon. members and in particular the hon. Leader of the Opposition and the hon. members for Bruce (Mr. Whicher), Oxford (Mr. Innes), and Kent East (Mr. Spence) how I am "ignoring"—that is their word—the necessity for maintaining a constant and adequate supply of teachers.

This is the way I am ignoring it. First I have established and have operated and am still doing so, an emergency plan to enable teachers to obtain the necessary qualifications at a convenient time and with little expense. This plan, consisting primarily of summer courses, has worked

out so well that some prominent school trustees think it should be carried on permanently. Of course there are a few failures.

The hon. member for Kent East mentioned two situations in particular. I have obtained definite detailed reports on those two, and the story is a little different, in fact very much different. The hon. member should not always pay too much attention to what he reads.

There are some failures, as there always are on any project, and as there still are in the so-called regular courses that are still in operation. But the failures are relatively few. We are catching young and enthusiastic people who are devoted to teaching, and who on the whole do much better than some critics would like to admit.

The emergency plan for elementary schools is this: young people who have completed 4 years successfully in a high school, that is, who have completed grade XII, if they are in good health and seem to have the personality for teaching, are admitted to a 6 weeks' summer course.

At the end of that course, if they have been successful, they are given a letter of standing which enables them to teach for a year. They then come back the second summer for another 6 weeks, and after that they teach for another year and then, provided all of that has been successfully completed, they attend teachers' college for a year.

How in the world could one get any better preparation than that? Of course, there are others who prefer to obtain grade XIII standing and go into a teachers' college for a year; there are others who, having grade XII standing, prefer to go into a teachers' college for two years, but the system is just as good as a system could be. That is the plan for elementary school teachers.

For secondary school teachers this is the plan: they must be university graduates in the first place and then, if they are in good health and have signed a contract with the board, they are admitted to a 10 weeks' summer course

and then allowed to teach for a year. They come back the next summer for 5 weeks and then they are given their certificates. In 15 weeks they have had an intensive course covering all the work except one optional subject in the college of education.

The executive director of the Ontario school trustees' council told me recently that the special committee set up by that council has made a very careful survey of the whole situation in the elementary school field, and he gave me a documented report with figures to prove what he had told me.

I asked, "Well, what do you find?" He said, "If there is no new factor introduced, economic or otherwise, if conditions are about as now, then we are over the hump, we have enough elementary school teachers." I said, "Then in that case, how long do you think I should continue these emergency courses?" He replied, "If you continue those emergency courses for elementary teachers for 6 years, by 1965 there will be a reasonable surplus of elementary teachers." Who knows better than the trustees do?

The second way in which I am "ignoring" the situation is that I have raised standards by requiring 8 papers instead of 5 in grade XIII, and have added that year in the teachers' college, which was not a factor some years ago at a similar time.

Third, I have representatives on the teacher recruitment and service council, whose objective is the recruitment of teachers for secondary schools. They are doing excellent work with every possible co-operation and assistance from The Department of Education.

The fourth way in which I am "ignoring" the situation and letting the house burn down is by sending over, as I have already noted, an experienced assistant superintendent to the "old country" to recruit secondary school teachers.

The fifth way in which I am "ignoring", according to hon. members opposite, the burning house, is that I

have arranged with the universities of Ontario to put into effect summer courses for the upgrading of teachers who hold a pass B.A. degree. The universities are co-operating in an excellent way, so that this summer we shall carry on those courses in some of the universities. People who possess a pass B.A. degree, who are not specialists in teaching, will have an opportunity to receive training in this way.

May I say something, Mr. Chairman, about figures? The hon. Leader of the Opposition, I believe in a television programme, said that I was losing teachers and that there were fewer of them now than there were before. In 1951-1952, there were 22,327 teachers employed in the elementary schools of Ontario. Of this number, 990 were teaching on letters of permission. The number of certificated teachers was therefore 21,337.

Now, what was the situation in 1955-1956? In that school year, 27,533 teachers were employed in the elementary schools, of whom 943 were teaching on letters of permission, so that the number of certificated teachers was 26,596. The actual gain in the 5-year period was 5,253 certificated teachers—a gain, not a loss.

The question may be asked: "But was not this gain made up chiefly of teachers with 6 or 12 weeks' training, who are teaching on temporary certificates until they have completed their training?"

The answer is that the gain of 5,253 certificated teachers could not have included more than 1,534 teachers from the summer course, so that at least 3,719 of the additional group were fully qualified. These facts clearly demonstrate that, as far as the teachers for these schools is concerned, the province has made a substantial gain in the 5-year period.

In spite of this, the hon. Leader of the Opposition says that I am ignoring the problem. What would he like? Let me be generous and say, very kindly, that he does not know what is going on.

MR. OLIVER: Mr. Chairman, when the hon. Minister says I do not know what is going on, let me suggest this to him. He has spent the last half hour telling us that there is no teacher shortage. I want to ask him, did he write that paragraph in the speech from the Throne which said it was one of the greatest problems facing this province?

HON. MR. FROST: Certainly, that is right.

MR. OLIVER: Then, he does not know what is going on.

HON. MR. DUNLOP: I do. It still is one of the greatest problems. We still have to provide for the future.

HON. MR. FROST: That is right.

HON. MR. DUNLOP: If I had not done what I have described here, there would be a shortage of teachers now.

MR. OLIVER: But the hon. Minister has it all fixed up now?

HON. MR. DUNLOP: I am carrying on this work in this way, just so that there will not be a shortage as the years go on. That is why it is a great problem and that is why we are going to solve it too.

The hon. member for Oxford got a little on the severe side, boyish-looking chap that he is, and he produced a number of antiquated devices.

MR. D. C. MacDONALD (York South): Let us not get patronizing now.

HON. MR. DUNLOP: Well now, that is not quite the word. He produced some antiquated devices which he called constructive suggestions.

MR. MacDONALD: My, we are really fighting today.

HON. MR. DUNLOP: Oh, yes. So of course, there is a good deal of misinformation supplied by one or two

whom I know outside this House, one of whom says that he delights, in his addresses, in "lying magnificently."

Neither of them knows anything about teaching or teachers, although they have both been to university. They know nothing and they care less.

The new Hamilton teachers' college was occupied in January last by staff and students. The new London teachers' college is under construction and should be ready in 1958. Good progress has been made on the construction of the Lakehead junior college of arts, science and technology. A great impetus has recently been given to the new Hamilton institute of technology, which began rather slowly last year. Good progress has been made in the establishment of the Ottawa institute of technology, which will be opened next September, I hope.

The next step should be the commencement of the Windsor institute of technology.

It was just a little surprising to me, and shall I say rather disappointing, to hear the hon. member for Brant (Mr. Nixon) indicate that I am responsible for the delay in taking over the education of Indian children. The hon. member knows perfectly well that I would do that tomorrow, but Ottawa is just not interested.

HON. MR. FROST: A reactionary government.

MR. NIXON: That is not what the hon. Mr. Pickersgill says.

HON. MR. FROST: The hon member cannot believe him.

HON. MR. DUNLOP: Ottawa is holding on tightly as usual to what it has, and the hon. member for Brant has much more influence there than I have.

Regarding universities, when the late Dr. Althouse visited the 7 universities in Ontario a year ago, he drew up a

5-year plan for government grants to cover maintenance and new construction in each case. At the same time, he and I discussed the establishment of junior colleges and institutes of technology, and we agreed that a commencement should be made in setting up institutes of technology in 1958, and that junior colleges should be planned for 1961.

We are a little ahead of that programme, because we have established a junior college along with a technical institute at the Lakehead, and we have also established, as I have said, the Hamilton institute of technology.

However, there is no need for junior colleges for some little time, because the universities are expanding and have not yet found it necessary to make the changes on which we all agreed a year ago.

So far, enrolments have not greatly increased.

Let me outline, Mr. Chairman, the services we are providing for Hungarian refugees. The Jarvis Street centre is now being moved to Chorley Park and we have 7 full-time teachers and 2 part-time teachers giving full instruction in basic English. In Queen Victoria Public School in Toronto, we have 2 classes for Hungarian children. All of those classes are proceeding nicely and we have classes in other towns and cities in Ontario, and there are regular plans for the teaching of New Canadians.

Here are some of the other places in which we have classes for Hungarians: Sault Ste. Marie, Fort William (2), Long Lac, Fort Frances, Peterborough, Brockville, Port Colborne, Oshawa, Hamilton (2), Don Mills Public School in North York.

Probably we will have one in Barrie soon and one is to be formed shortly in Scarborough.

MR. WHICHER: Is that education for the Hungarians completely free?

HON. MR. DUNLOP: Oh, yes.

MR. WHICHER: And in colleges is it completely free, too?

HON. MR. DUNLOP: It is going to be, I believe. None have entered yet. The government at Ottawa is looking after that, I understand, and we are getting reimbursement for what we are spending on these classes, or so I am told. We hope we are. There are 107 engineering students from Sopron University in Hungary at this Jarvis Street centre at the moment.

Everyone has noticed that our grants for schools have been very nicely increased this year. We have increased the former \$6 additional amount per pupil to \$8. That means there is a \$24 grant for each pupil in elementary schools. We have increased the others \$20, \$25 and \$30, and we have increased the grants to teachers' salaries from \$75 per pupil to \$100 per pupil.

This is the way that works in an elementary school. Here, let us say, is a little school in the country with 15 pupils. We do not count any number under 30, we say; "For the purpose of our grant, there are 30 pupils in that school." The part of the teacher's salary for grants, then, is calculated in this way, there are 30 pupils in that school, regardless of the number under that: 100 times 30 is \$3,000 and the percentage is paid on the teacher's salary of \$3,000.

The \$24 per pupil grant, however, is not subject to percentage. If there are 15 pupils we count them as 30, or if there are 20 and we count them as 30, then 30 times \$24 makes \$720.

However, there is something which is necessary in order that we may have the very best means of providing grants for schools, and that is equalized assessment over the whole province. We are getting to that, and we expect to be able in 1958 to base our grants on that, so that it will not be the case that a large assessment draws a small grant and a small assessment gets a large grant, but we will have it fairly and equally distributed over the province.

So, we have a 3-year plan. This plan that we have going on for this year is for this year only. We are going to have a better one for next year and a still

better one for the year ahead, and we are working that plan out with the help of experts.

MR. WHICHER: Why not have the better one now?

HON. MR. DUNLOP: Because of the unequal assessment, of course.

MR. MacDONALD: This government is going to achieve perfection before they know it.

MR. OLIVER: If they ever achieve perfection, we will know it.

HON. MR. DUNLOP: We are very modest about it, Mr. Chairman. So the school boards are pleased. There may be an exception or two, but I have had a good many responses from school boards, and they say they are greatly delighted that we are assisting still further.

MR. A. WREN (Kenora): Mr. Chairman, I would like some clarification with regard to the adjournment tonight. I have quite a lengthy speech to make, and I would not want to delay the House. I was wondering if you were going to leave with vote 411 and then adjourn?

HON. MR. FROST: Mr. Chairman, I think that would be the course to adopt. I think we will be adjourning tonight at 5.30, and I had hoped we could get through with vote 411. If we cannot, we will have to let it stand over.

I would say this with regard to estimates. I have made arrangements for The Department of Travel and Publicity to present their estimates tomorrow afternoon, and I do not think that the estimates of The Department of Education will come on again until either Monday or Tuesday. However, in the event, we will have ample time to debate every feature on the education problem, and I hope to persuade the opposition to go along with us.

I would say to the hon. member for Kenora that we are dealing with vote 411, and if we finish that, then we will adjourn at 5.30.

MR. T. D. THOMAS (Oshawa): Mr. Chairman, in order to speed it up, even if we do complete vote 411 now, would we be allowed to refer to it on Monday?

HON. MR. FROST: Oh, yes.

MR. WHICHER: Mr. Chairman, I would like to start off by having the hon. Minister say something about the \$990,000 grant to public libraries. I have had several letters from very small libraries, which have suggested they are having great difficulty carrying on under the present grants they are getting, and I wonder if the hon. Minister would say something about it.

HON. MR. DUNLOP: Mr. Chairman, we have been increasing the grant for public libraries each year, and we are also doing something more which will save them a great deal of expense, and provide very largely for a better distribution of books, in forming library co-operatives, particularly in the north. Also, we have a number of county co-operatives in southwestern Ontario, but we are developing them further. In Renfrew county we are going to save the libraries a great deal of expense by having a "bookmobile" going around and stopping at different places.

My proposal is that each year we go on adding to the grant for libraries, but, at the same time, saving them money in that way.

MR. WHICHER: I wonder if the hon. Minister could say on what the grant is based for these small libraries? Is it on the amount of money they spend, or the number of books they use, or what?

HON. MR. DUNLOP: It is based partly on what they spend.

MR. WHICHER: What percentage?

HON. MR. DUNLOP: It varies in different libraries.

MR. WHICHER: The ones to which I am referring, I imagine, would be the smallest library to which you give grants.

HON. MR. DUNLOP: The certificate of the librarian enters into it. I cannot give that percentage to the hon. member at the moment, but I will get it for him; I shall be glad to do that tomorrow.

MR. OLIVER: Mr. Chairman, on item No. 4 in 411, having to do with the education of retarded children.

I had some contact with The Department of Education relative to a child in my riding, and it was proposed by the department that the child be brought to Toronto, to a school which is here in Toronto I imagine. The thing which worried me, and I am sure it worried the parents of the child, was that it would cost about \$5 a day. If there is a charge of \$5 a day, the ordinary parents cannot handle that very well. What is the situation in regard to that?

HON. MR. DUNLOP: For educating retarded children we have this: I have spoken to the hon. Minister of Health (Mr. Phillips) about this, and I hope we can get a different terminology. For instance, there are 42 new schools in Ontario with 1,000 pupils in them, known as schools for retarded children, and they are under the jurisdiction of a parents' council in each centre. We pay, from The Department of Education, \$250 a year for each of those pupils, who are able to attend for half a day. For those who are able to attend a full day, the grant is \$500, and that seems to cover most of the cost except transportation.

MR. OLIVER: This child I have reference to was not able to attend a school. How would it work out in that case?

HON. MR. DUNLOP: Well, would that be one for admission to Orillia or Smiths Falls?

MR. OLIVER: Oh, no.

HON. MR. DUNLOP: Does the hon member mean that this child is above the standard; let us say, has higher than 50 IQ?

MR. OLIVER: I do not know what the IQ is, but last year the parents had a private person give lessons to this child, and I understand there was some arrangement with the school board, and a grant was paid towards the education, by The Department of Education. This year they were not able to arrange for the tuition by the private person, and it was suggested by one of the departmental officials that the child should come to Toronto and attend a school here, as I understand it.

HON. MR. DUNLOP: I would not think that would be a good solution.

MR. OLIVER: Well, that was the solution offered.

HON. MR. DUNLOP: We pay something like this: one of those cases came up the other day, and the department pays \$3 an hour for private tuition up to 6 hours a week: \$18 a week for the tuition of youngsters of that kind. If we can help them find a tutor, would that solve it? Then, we will find a tutor.

MR. T. D. THOMAS: Mr. Chairman, in the brief of the retarded children association, presented to the committee on education last Friday morning, they asked the hon. Minister to consider the introduction of permissive legislation to allow school boards to take these retarded children into the elementary schools after the basic training has been received at a school for the retarded.

I wonder if the hon. Minister would care to comment on that request?

HON. MR. DUNLOP: Mr. Chairman, in the elementary schools there are

already classes for children who are slow learners — auxiliary classes. It is not often that a youngster in the school for retarded children is capable of going into one of those classes. I have gone over this matter of transferring it to the board of education. Most of them do not want to do it, but it may be the ultimate solution.

As we go ahead with the basic instruction in these retarded children's schools, it may be possible to do just what has been suggested. I hope it may, but at the present time not many boards of education want to do it. They would rather hand over to us the instruction of all handicapped children.

MR. T. D. THOMAS: Further to that question, Mr. Chairman, are the grants which are available to schools for retarded children also available for the schools for the children suffering from cerebral palsy?

HON. MR. DUNLOP: It is a little different system, but equally good. In the case of the cerebral palsied children, we pay 80 per cent. of the teachers' salaries and that seems to carry them.

MR. MacDONALD: Mr. Chairman, on this question of integration of retarded children's classes in the regular school set-up, I am glad to hear the hon. Minister say he at least feels at this point that is the ultimate solution, because I, presently, feel very strongly it is the ultimate solution, and we should move towards it as quickly as possible.

For example, I am sure the hon. Minister is aware of the fact that if we go back 15 years or so ago, the proposition of kindergarten classes or pre-kindergarten classes, in our regular school set-up, was very much the exception, but particularly during the war years this became a necessity. They were built up on a private basis and this private development opened up such a demand for them there was only one way to meet it, and that was to integrate them into the school set-up.

I feel the sooner we get to that with the retarded children, the better, and I hope the government will be as generous as possible in that regard.

HON. MR. DUNLOP: Mr. Chairman, 15 years is a little short on that question. I was principal of a school — and I do not hesitate to say so — 50 years ago and there was a kindergarten in that school.

But there are some little considerations that we have to take into account. For instance, a doctor who takes a special interest in children who are deaf or hard of hearing does not want retarded children in the same school with the deaf children. There are all those little things which turn up, but we are always making progress.

MR. T. D. THOMAS: Mr. Chairman, on vote 411, item No. 5, special grants for school accommodation for retarded children, I wonder if the hon. Minister could tell us how they can qualify for those grants.

HON. MR. DUNLOP: That is an additional one. I have already explained the maintenance matter.

MR. T. D. THOMAS: That is right.

HON. MR. DUNLOP: In some of these places, they are building new schools for retarded children. In some instances, they have had them in church basements and now they want a school — not a large one. In some cases, we are going to try to pay 50 per cent. of the cost of the new building, and that is what that money is there for.

MR. WHICHER: In item No. 7, I believe some time ago when we were discussing something about the Ontario Athletic Commission, the hon. Prime Minister indicated a large percentage of the work of amateur sport had been transferred to the physical fitness and recreation branch of The Department of Education. I wonder if the hon. Minister would elaborate on that statement?

HON. MR. DUNLOP: Community programmes is a branch of The Department of Education, and quite a large branch, too. It provides for recreation in the different municipalities. Let us take the town of the hon. member for instance, which is mentioned frequently. If there is a recreation commission there, and a director of recreation, which can be set up by the town council—I do not know whether there is one there or not—this is to provide for funds towards the salary of that director, equipment, and the carrying on of recreation classes for young people and also the older people.

MR. T. D. THOMAS: Is that tied in with the community centre arrangement under The Department of Agriculture?

HON. MR. FROST: May I ask the hon. Minister if the federal government still contributes their 50 per cent. of this?

HON. MR. DUNLOP: They have ceased that.

MR. MacDONALD: I am sure the hon. Prime Minister did not know the answer to that when he asked the question. That was a genuine question.

HON. MR. FROST: I would like to point out to hon. members there is something we are up against. After the great urging we had from the hon. Mr. Paul Martin that we get into the physical fitness end of things — the House will remember that—I am surprised to hear the hon. Minister of Education say that the federal government have pulled out and left us "holding the bag."

MR. MacDONALD: The hon. Prime Minister is not surprised, he knew that all the time.

MR. WHICHER: It must be very brave for the hon. Prime Minister to rise 3 or 4 times a day and attack those people who are not here to defend themselves.

HON. MR. DUNBAR: The hon. member is Mr. Harris number two.

Vote 401 agreed to.

Hon. Mr. Frost moves that the committee do now rise and report certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions, and moves the adoption of the report, and begs leave to sit again.

Motion agreed to; report adopted.

HON. MR. FROST: Mr. Speaker, in moving the adjournment of the House, tomorrow we would like to proceed with the estimates of The Department of Travel and Publicity. We will come back to estimates of The Department of Education at the beginning of the week, either Monday or Tuesday.

Mr. Speaker, I move the adjournment of the House.

Motion agreed to.

The House adjourned at 5.30 of the clock p.m.



Legislature of Ontario Debates

OFFICIAL REPORT—DAILY EDITION

Third Session of the Twenty-Fifth Legislature

Friday, March 8, 1957

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LEGISLATURE OF ONTARIO

Speaker: Honourable The Rev. A. W. DOWNER

Roderick Lewis, Q.C., Clerk

FRIDAY, MARCH 8, 1957

2 O'CLOCK P.M.

And the House having met.

Prayers.

MR. SPEAKER: Presenting petitions.

Presenting reports by committees.

Motions.

Introduction of bills.

comes from any province outside of Ontario in our great Dominion should abide by our laws the same as doctors already practicing here. This involves 3 things: first, that they are registered under The Canada Medical Act; secondly, they pay the fees fixed by the college; and, third, that they comply with the regulations of the college.

We are asking them to do no more than what we in the province of Ontario have to carry out ourselves.

THE MEDICAL ACT

Hon. M. Phillips moves first reading of bill intituled, "An Act to amend The Medical Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, this amendment is very short and I think the best way to explain it would be to say that, when I graduated in 1924, if I wished to practice in the province of Ontario after receiving my degree, I had to try the Ontario council. Then, if I wanted to practice then, or in the future, in any of the other provinces in Canada, I had to try also the Dominion council.

For the last few years, doctors have had to try only one examination known as the Dominion council, which allowed them to practice in any part of Canada provided they abided by the regulations set up by the college of physicians in that particular province.

This is just a little tidying-up legislation, in order that any person who

THE PUBLIC HOSPITALS ACT

Hon. Mr. Phillips moves first reading of bill intituled, "The Public Hospitals Act, 1957."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, a few days ago I introduced The Private Hospitals Act, 1957, and today I am bringing in The Public Hospitals Act, so the responsibilities of administration, of budgeting, of recommending capital grants, and so on, will be placed under the Ontario hospitals commission which this Legislature set up one year ago.

The last time there was a complete revision of The Public Hospitals Act was back in 1931, so, although this does not contain any major changes, nevertheless, it does bring it up to the thinking of 1957.

It requires our public hospitals to live up to the standards of 1957 with all the facilities such as diagnostic facilities, ancillary services and the proper bed requirements.

It makes it possible for our hospital commission to make a survey of Ontario so that we in the future will have a proper segregation of hospital beds throughout the province. We hear there is a terrific shortage of hospital beds and that is true, in spite of the the number of beds we have added in the last 8 years, but we have not proper segregation of the beds and the commission is going to do everything in its power to bring that about.

Then, we have brought in a common set of by-laws and we will change those to suit the individual hospital and they will require only minimum changes.

I will say a great deal more on this bill on second reading after which it will go, with the permission of this House, to the committee on health.

THE LABOUR RELATIONS ACT

Hon. C. Daley moves first reading of bill intituled, "An Act to amend The Labour Relations Act."

Motion agreed to; first reading of the bill.

He said: Mr. Speaker, these amendments are designed to do various things in connection with facilitating the work of the labour relations board in handling of various types of cases. It is designed to make clear in many cases just exactly what the Act means.

In section 1, it is to make clear that discharge by an employer of a number of employees, because they have engaged in union activities, constitutes a lock-out, for the purpose of the Act.

Another section clarifies the meaning of the expression "trade union."

Section 1 is re-enacted in order to emphasize the intended finality of the decisions of the labour relations board as to whether or not a person is an employee, for the purposes of the Act.

Section 2: The purpose of this new subsection is to enable the new Ontario labour relations board to authorize a

trade union to be represented during bargaining by a bargaining committee composed solely of union officials where the employer has improperly interfered with union activities.

Section 3: This new subsection empowers the labour relations board to grant conciliation services in default of written notice in attendances of a bargaining committee where these requirements have been waived by the parties.

Section 4: These amendments are designed to simplify the procedure for the termination of bargaining rights when a trade union concerned informs the board—and I might say, in writing—that it wishes to abandon its bargaining rights. This reduced a lot of the detail we presently have to go through.

Section 5: This amendment is designed to clarify the intent. It has been argued that the word "person" does not include a trade union.

Section 6: This is a new subsection which provides an alternative remedy by way of arbitration for improper alterations in working conditions during the period between the giving of notice of desire to renew the collective agreement and the conclusion of the conciliation process.

Section 7: This is a desire to clarify the intent by making it an offence to contravene the Act, and so on, as well as failure to comply, etc.

Section 8: This amendment creates an exception to the rule that the consent of the Ontario labour relations board must be had to the prosecution of an offence under the Act.

Section 9: This section is to allow the board to sit in two panels instead of one as at present. Today we have a chairman and a vice-chairman; we have two members from organized labour and two from the employers. There are a great many routine matters, and if this board were split in two it would facilitate the work of the board a great deal in administering the Act.

I might say, Mr. Speaker, I have 3 or 4 other Acts here but these Acts, with the permission of the House, will go to the labour committee.

THE INDUSTRIAL STANDARDS ACT

Hon. Mr. Daley moves first reading of bill intituled, "An Act to amend The Industrial Standards Act."

Motion agreed to; first reading of the bill.

He said: This bill is very short. It is an amendment. Clause (d) of section 5, of the re-enacted section, now gives the board power, in its discretion, that part or all of such wages collected be forfeited to the Crown. This would prevent a worker purposely undercutting a wage rate established in the schedule and then using the provisions of this Act to recover the difference in the rate. It also covers the situation where an employee cannot be located after recovery is made.

THE FACTORY, SHOP AND OFFICE BUILDING ACT

Hon. Mr. Daley moves first reading of bill intituled, "The Factory, Shop and Office Building Amendment Act, 1957."

Motion agreed to; first reading of the bill.

He said: This Act is designed to bring under supervision and inspection the matter of construction, and it changes the Act somewhat as to the requirements when it is necessary to submit plans for approval for various types of construction.

Today we have a great many buildings covering a large area, being built only one storey high. These buildings might house a great many people and they formerly were not required to submit their plans for approval. This Act does that which, among other things, will be before a labour committee.

THE DEPARTMENT OF LABOUR ACT

Hon. Mr. Daley moves first reading of bill intituled, "An Act to amend The Department of Labour Act."

Motion agreed to; first reading of the bill.

He said: This Act is designed to give the hon. the Lieutenant - Governor authority to make regulations for the protection of health and safety of persons from the effects of ionization radiation used in industry and commerce. It is beginning to be very prevalent now that radiation is being used in industry, construction, the building of pipe lines, in paper machines and many other things. We feel we should have the authority to insure that these things are properly handled in the interest of the health and safety of the workers.

THE OPERATING ENGINEERS ACT

Hon. Mr. Daley moves first reading of bill intituled, "An Act to amend The Operating Engineers Act."

Motion agreed to; first reading of the bill.

He said: There are some important amendments in this Act. We will certainly have to have thorough discussion in the labour committee. It has to do with the regulations and qualifications of certain engineers for certain types of work. In one instance it increases the rating for a certain type of machine from 25 to 30 horse-power.

It is designed to take care of situations we encounter in industry in connection with freezing equipment, ventilation systems and other things which require a great deal of skill and know-how in their operation.

If they are increased beyond the horse-power permitted for a certain class engineer, the man who has run that machine for, probably, 20 years may be very satisfactory and can carry on equally well with a little increase in horse-power, but he must, of necessity, as the Act is now, secure a higher class paper.

If the paper was simply on the question of what he has been doing all those years: ventilation, freezing equipment

and that sort of thing, undoubtedly he could get the higher class paper, but he has to be equally competent in steam.

A great many men have never had any experience in steam, and they certainly could not write the paper without stopping what they are doing and going out and getting years of experience in a boiler plant. It might be 5 or 6 years before they could qualify. In certain instances it could eliminate them from their position, not because they are not well qualified in what they are required to do, but because they do not know something about something else that they are not required to do.

We hope, with the co-operation of the operating engineers who, no doubt, will have much to say on that, we will be able to work out a system.

It also permits the registration of plants, singly, instead of in a group. One industry might have 4 plants of a certain horse-power. They are registered collectively although they may be a mile apart. We think they should be registered on an individual basis, at least, that the operating engineers board should have some discretion as to just how they should be registered.

As I said at the opening of my remarks, all these bills will go to the committee.

HON. DANA PORTER: I move, seconded by hon. Mr. Daley, that the bills introduced by the hon. Minister of Labour go to the labour committee after first reading rather than after second reading. I further move that the rule that the bills go to the committee after the second reading be suspended and that these bills will go to the labour committee after first reading.

Motion agreed to.

MR. SPEAKER: Before the orders of the day, I would like to welcome the teachers from the Leaside public schools; the students from Malden Central School in Amherstburg; the Winston Churchill Collegiate, Scarborough; the Waterford District High School,

Waterford, Ontario; and also pupils from Humewood Public School, Toronto. To all of these pupils and visitors who are here to view the proceedings of the House, we extend a welcome.

MR. F. R. OLIVER (Leader of the Opposition): Before the orders of the day I would like to ask the hon. Provincial Treasurer (Mr. Porter) if he would include the name of the hon. member for Kenora (Mr. Wren) on the labour committee. For some reason it was not put on and I would certainly like to have it put on.

The only other comment I have to make today about the committee is that it is rather an unusual time to call the labour committee, at 10 o'clock on Monday morning—at any time on Monday morning. It will be most difficult, as the hon. Minister will appreciate, as many of the hon. members have to travel many miles to get here and, after not having a committee for 5 or 6 years, it could have been called at a more appropriate time.

HON. MR. DALEY: What time would the hon. Leader of the Opposition suggest?

MR. OLIVER: Does it have to be Monday?

HON. MR. DALEY: According to the hon. Leader of the Opposition and hon. members on the other side of the House, we are 5 or 6 years late and we thought we should get at it.

MR. MacDONALD: We will be there.

HON. MR. PORTER: I move the hon. member for Kenora be added as a member on the labour committee.

Motion agreed to.

HON. MR. PORTER: Mr. Speaker, I move you do now leave the chair and the House resolve itself into committee of supply.

Motion agreed to; House in committee of supply, Mr. C. E. Janes in the chair.

ESTIMATES, DEPARTMENT OF
TRAVEL AND PUBLICITY

HON. BRYAN L. CATHCART
(Minister of Travel and Publicity) : Mr. Chairman, before presenting the estimates of The Department of Travel and Publicity, I would like to take a few moments to report to the House how happy I am to say that one of Ontario's biggest assets—the travel and vacationing business—is in a healthy and flourishing condition.

In spite of the fact that the weather in mid-summer last year turned out to be far from ideal, I want to point out that more passenger cars crossed the international border into Ontario than ever before. The total as reported by customs officials was 5,401,323. This total was compiled by the Dominion Bureau of Statistics.

I am sure hon. members will agree that this is remarkable when we experienced some really cool days and nights most of last summer, instead of the warm, dry climate which vacationists like so much.

The increase of almost 100,000 motor parties, I regret to say, was made up of parties staying in the province less than two days. Those arriving for longer stays, or meaning to leave by a different customs port, numbered 1,485,360. This was a slight decline from last year of about 4 per cent., but at that it exceeded the average yearly figure for the previous 5 years.

Entries by common carrier showed little change as compared with 1955. Some 126,454 persons entered Ontario by air in the first 11 months, as compared with 110,573 in 1955. Entries by boat showed a small increase, while entries by rail and by bus showed a slight decline.

After a number of careful surveys, officers of my department concluded some few years ago that the expenditures made in Ontario by visitors outside our borders have amounted to at least \$250 million in each recent year. More recent studies have confirmed the

belief that this figure is a very conservative estimate.

Hon. members will understand that we have no way of ascertaining the expenditures made in Ontario by our own people on vacation, or by Canadians from other provinces and yet it is true that our own people, and people from our sister provinces are vacationing here in Ontario in increasing numbers.

Some people when they hear the word "tourist" think only of an American visitor, or a visitor from beyond our borders. That is far from our attitude. In fact, our own Canadian people are the backbone of our travel business.

While we bend our efforts towards bringing in visitors from other countries we, at the same time, have not overlooked promoting and encouraging travel on the part of our own people here in Ontario and Canada. I am sure hon. members have all noticed our campaign using the theme "Know Ontario Better" and also the fact that the Dominion government travel bureau office has followed our lead by featuring "Know Canada Better." We have ample evidence today that these campaigns have paid off, and that increased inter-provincial travel has more than compensated for the slight decline in the number of vacationists we have had from the United States.

I feel sure that our theme of "Know Ontario Better" to our Ontario and Canadian people played a very important part in filling vacancies that may have occurred as a result of cancellations and reservations because of the inclement weather last summer, and it is therefore my intention to step up our "Know Ontario Better" theme which proved to be so effective last year.

I believe that we gained a great deal by encouraging people to know more about our own province, and certainly by travelling we can do this. Our own people can be our best advertisement if they can talk enthusiastically about their own province when talking to their friends from other countries. There is no doubt that we are facing increasingly

stiff competition—one has only to glance at the papers, listen to the radio or television to realize that the United States, Europe and other overseas countries are building up increasing attractions for the visitor.

I note a clipping from the Canadian Press just this week which states that Premier Stanfield of Nova Scotia has announced a conference of the 4 Atlantic provinces, which will be held in Nova Scotia next year. This conference will be held to deal with an agenda that has been drawn up placing emphasis on the possibilities of co-operation between those 4 provinces in tourist attraction and to set up joint offices in other countries.

All these places are aided by lower ocean and air fares and the principle "Go Now—Pay Later." However, essentially the vast majority of American people make their vacation trips in their own country, and it seems to me that our job is to convince them that we do have a very wide variety for their pleasure, with good accommodation facilities and services available.

I have been particularly pleased with the increase in numbers of visitors from our sister province of Quebec, and from our western and maritime provinces as well. On a recent visit to the north-western part of our province, I was made aware that quite a number of our camps and resorts there draw almost all their business from Manitoba and other western provinces.

In Quebec there is a very active body known as "Alliance Canadienne", which encourages inter-provincial visits by students and others, whose work is most valuable and with whom my department has co-operated fully.

The increase in our inter-provincial travel is very evident to all who keep an eye on the motor licence plates along our highways, at parks or vacation spots.

Our friends from our sister provinces are visiting with us in greater numbers, possibly realizing more than ever that not only our past but our future history is inseparably interlocked and mutually

dependent, and that travel is the best way to get acquainted one with the other, and certainly we in my department realize how true this is. I mentioned before that the competition for the traveller and tourist is increasing at a terrific rate, and we in the department can do nothing to halt or stifle that competition. There is no use complaining—rather we accept it as a challenge. I can assure this House that we are optimistic enough to say that we hope to step up our programme with the help of our municipalities, associations and individuals, to an extent whereby we will meet that challenge and better it.

I wish it were possible for each and every hon. member of this House to see and feel the enthusiasm of all of our people throughout the many areas of this province—their many discussions and their approach to the officers of the department and myself, inquiring as to what they can do in their own individual communities to encourage the travel business.

This makes me very happy, because I realize full well that if we are going to have a growing industry, and encourage repeat business, we will be successful only when we unite and work together towards this end.

I feel very strongly that our job in the department is to encourage every individual residing in this province to do his part and act as an ambassador of goodwill for Ontario.

We all know of many attractions that communities have created in the past—I have only to refer to the outstanding success of the Stratford Shakespearian Festival, and how, as the result of the efforts of a few people under the leadership of my good friend, Tom Patterson who created this idea, others have united, and played up this great Shakespearian Festival to where it has gained international prominence.

The Stratford area today is known throughout the world and the greatest satisfaction they can have is that this year their festival will have a theatre for its patrons comparable to any in the world.

Our Santa Claus Village at Bracebridge is rapidly becoming better known, and the attendance is increasing in large numbers each year. I would just like to mention here that it is well worth seeing.

To name a few others, we have our Indian Village at Midland, the Hamilton Rock Gardens, Casa Loma, Fort Henry, the Royal Ontario Museum.

During the past year or so there is good evidence of the interest being taken on the part of our people — I might mention just a few of the tourist attractions which have either been developed or are in the stage of being developed, such as creating historical parks like the serpent mounds at Rice Lake, the historical village of Fort Frances, the Penetang winter carnival with its boating scoots, ice-fishing, and so on.

Also, in my own Lambton county, they have organized the Lambton county historical society with representations from all part of the county including the city of Sarnia, Petrolia, Forest and other local communities—a society which will not only preserve the rich heritage for generations to come, but will serve as the springboard for increased tourist attractions in my own particular area.

I understand plans are under way to provide museums and that steps are being taken to establish a great historic site commemorating the finding of the first oil well in North America at Oil Springs. Interest in the city and county is running high in the development of this “natural” in the realm of tourist attractions. We are also grateful indeed to the wholly Canadian owned refinery, the Canadian Oil Company, for giving its whole-hearted support in this worthwhile project.

Our town of Meaford, over on Georgian Bay, is the basis for another museum landmark to commemorate the hero dog in the great Canadian classic novel “Beautiful Joe.”

Barrys Bay in the Madawaska valley district took very important steps last year when it made its entry into the

world of festivals by holding their first Ballet Festival, and since I had the honour to officially open that two-day event, I can tell hon. members that it was a complete success, and that plans are presently in progress for their second annual Ballet Festival this year, and they intend to continue their festival each year as an annual event, and with the kind of enthusiasm they put forth last year I know it will gain in prominence each year to follow.

Our ski jumps and winter sports are becoming increasingly popular through the efforts of those people who are giving a great deal of their time and efforts to promote these sports—the attendance at these events this last couple of years has been in the thousands.

I have mentioned a few of the attractions and things that are under way, and I have done this only to prove the point that we have the material, we have the treasure chest of tourist attractions right here in Ontario, if we can inspire our people to get into the game and if we have the whole-hearted support of the municipality behind the programme.

I informed hon. members last year of the inauguration of our programme of marking historical sites, and the fact that we in the department were fortunate indeed to have the benefit of an advisory board composed of 9 outstanding members. This board is under the chairmanship of a very energetic young man, Mr. William Cranston of Midland, and authenticates such sites that come up for consideration, and I would just like to add that we have made real progress in this work.

Just outside the doors of this Main Parliament Building may be seen two of these standardized metal plaques which were established and unveiled by our own hon. Prime Minister (Mr. Frost). I feel that I should add that we have received many complimentary remarks, as well as congratulatory messages on both design and colour of the plaques, and we are going forward to commemorate and preserve our great historical past.

The board has a great responsibility in their very careful research work which is so necessary in every case in order that we have our inscriptions absolutely correct. I do want to thank, and say how much we have appreciated the generous co-operation of the universities, the Dominion and provincial archivists, our local historical societies and individual historians. There is no doubt that all over this great continent, interest in the historical past is ever increasing, and we are anxious to make progress in this work for a number of reasons.

It is of great importance that we preserve, and hand down to our own people, the inspiring story of the efforts of our forefathers, with the hope that it will be an inspiration to them to carry on—and, of course, as a real attraction to our visitors.

To date we have established 10 plaques, and have stock-piled at the moment about 20 more which will be ready to erect in the spring. We hope to come up with 50 or more during the coming year. This may seem small in number, but may I emphasize again there is a great deal of work involved in the very careful research, which as I said previously, is so necessary.

I have taken a great personal pleasure in this programme, and at the unveiling of each plaque we have made it a point to hold a ceremony. In every case, we have had a large number of citizens and civic officials in attendance, displaying interest and satisfaction, as well as much publicity, thanks to the newspapers, radio, television, and so on.

Every effort will be made to push forward with this project, because not only is it very close to my heart, and the desire of the advisory board, but we know of the keen interest on the part of our hon. Prime Minister in commemorating the historical background of our province. He has not only given us his full support but has taken time off from his busy life to make sure I am not letting down for a moment.

To come now to the estimates. The Legislature has been generous with my

department in past years, and again I am asking for just a little more, in order that we may keep up the momentum of our effort and not lag behind our competitors. Most of our competitors are putting forth intensive efforts to gain business that might just as well be ours.

My department is disposed in 4 main branches, and each branch has the usual overhead—salaries, travel expenses and maintenance, the last named meaning everything from typewriter ribbons to telephone bills, office equipment, stationery and so on.

Regarding travel expense, I encourage all senior members of the staff to travel freely, and to spread all over Ontario the message that travel and vacationing make up one of our leading industries and is one well worth fostering and promoting. We have many requests for speakers from local bodies, and try to fulfil them all when possible.

Regarding salaries, I consider myself fortunate in the calibre of the men and women of the department, and I would like to recognize their ability by the usual annual increases of pay sanctioned by the civil service commission.

In every one of the 4 branches of the department, not only is the volume of work increasing annually, but costs are also rising. Particularly is this true in the fields of advertising and printing.

Our advertising and printing budget has to be rationed out most carefully to get us through the operating year in a solvent condition. There are a dozen and one promotion projects which we would like to try, but we have had to restrict ourselves to the basic proven media: newspapers, magazines, radio and television.

A very gratifying thing to me is the generous editorial support we have enjoyed from our Ontario newspapers. I believe that all our editors and column writers are thoroughly aware of the importance and value of the travel industry, and go beyond the call of duty to comment upon its various aspects very frequently in their columns.

I can tell hon. members that 3 lines clipped from the editorial column of a paper, in my opinion, pays off more than the paid advertisement, because it comes from the heart. People read it and respect it and appreciate it.

I want to say how grateful I am to the newspapers, particularly across this province, for the space they have given us in their writing.

Here we are coming into a new venture, insofar as we are establishing billboards on the American side of the border. Some 200 will be established there, and we hope that we can inscribe thereon the words that will encourage those people to come over and visit with us.

We are also procuring a specially fitted motor trailer which will be in effect a mobile information bureau and will travel throughout Ontario and across the border.

This mobile trailer will visit our existing reception centres each spring, in connection with our receptionist training programme, and we will also use it at various inland points to serve travellers who may have overlooked our establishments at the border. We will also use it at travel and sports shows here and in the United States, of which there are over 25 annually, and at various strategic points in those states which are our most promising market.

This coming June we will be conducting our 14th annual United States editors goodwill tour of Ontario, one from each of 30 states. I regard this goodwill tour as one of our most valuable promotion measures.

I just brought along these clippings to give hon. members an idea of the amount of printing of publicity which we receive from those United States editors on their return back to their own centres. They are all ambassadors of goodwill for our people and for this province of Ontario. Of course, each editor is selected by the state association, and he is most often the president of that association, and so hon. members can understand that these are just the

finest calibre of men to be found anywhere.

Our guests are met at a border point and taken over a 12-day itinerary which we endeavour to vary from year to year, and to include the maximum number of stopping points that we can without imposing on our guests' endurance. We do not carry these tours out single-handed, but always have the most generous co-operation from the Dominion government, the Royal Canadian Mounted Police, the Ontario Hotel Association, the transportation companies and municipalities, chambers of commerce and industries.

Our advertising programme in 1956 provided for a total expenditure of \$227,000 in newspaper paid space, radio and television in both Canada and the United States. To meet mounting competition for the tourist dollar, we are planning some expansion which will include television. Of this total amount 72.8 per cent. was spent in the United States and 27.2 per cent. in Canada. The latter includes our "Know Ontario Better" campaign within our own province in urging our own people to get about this grand province and learn more about it.

The programme includes advertising in nearly all of Canada's national publications; a special programme is centred within the province of Quebec where we believe many of our friends are showing a mounting interest toward visits here on holiday and in a business way. Advertising will also be done in the western provinces, where again we find an increasing interest. Naturally, proximity to our province does play an important factor in miles to be travelled.

Despite the slight drop of 4 per cent. in 1956 of traveller vehicle permits, below the record year of 1955, our direct mail inquiries in contrast showed an increase of 9,297. Total direct mail inquiries for the year were 149,369 compared with 140,072 in 1955, or a percentage increase of 6.6 per cent.

The division of this increase between Canadian and United States inquiries showed that Canadian inquiries in-

creased 4,748, and United States inquiries increased 4,265. Both increases arose during the months of April and May, when our advertising programmes were in operation, and during which time vacationers were considering their holiday plans.

To account for the increase on Canadian inquiries, it is reasonable to say that the "Know Ontario Better" campaign was responsible in part, resulting in increased inquiries from our own people, and an increase based upon a re-aligning of the advertising programme both in format and media.

In the United States we attribute the increase in part to a switch in the advertising programme by placing, in some instances, advertising in the larger New York tabloid newspapers and by continuity of smaller advertisements. Television, which was included on a limited scale in the United States, accounted for 1,404 new inquiries.

These factors are most gratifying to us and indicate an increasing interest in Ontario both in Canada and the United States. It is interesting to note that a mounting interest in Ontario is shown in the state of California. For the first time, our advertising programme took in newspapers in Los Angeles and San Francisco. From these advertisements in both cities, over 500 inquiries were received. In total of general inquiries, for 1956 the state of California shows 5,839 inquiries, and now rates in 6th position of inquiries among all the states. New York state, of course, continues in first position with some 20,747; Ohio, 12,015; Michigan 9,572; Pennsylvania 8,665; and so on. In this regard, I believe a comparison of the expenditures and results obtained by two jurisdictions may be fair.

Our direct mail inquiries resulting from this advertising were about 150,000. Added to this is another 50,000 from other sources.

In all, some 200,000 personal inquiries came into our department, all demanding a reply, and, may I say, a reply is sent back in each individual case, along

with the literature for the particular area the person is inquiring about, as well as a personal letter. Each reply goes out, on the average, within 24 hours after receiving it.

I want to draw the attention of the House that we do have 14 tourist station centres.

Also, located at our doors we have, right here at the front door of the building, 4 young ladies, uniformed guide receptionists, to conduct hourly tours through the main building of these Parliament buildings. They provide information and direct visitors to the various government offices.

A total of 23,159 persons were conducted on tours through the buildings and legislative chambers last year. This total is composed of 15,207 students; 5,451 individual visitors, 2,501 persons of other groups.

At the same entrance, we also have the information desk where two young receptionists gave information and literature to 4,900 visitors and answered 3,527 telephone inquiries.

I feel I should mention our current programme which we have been carrying on in this province, known as our tourist conferences or tourist courses. They are conducted by our development branch of the department and, I believe, they are performing a great service. There is much interest shown in such courses, and we are receiving requests daily.

We held 4 particular conferences last year in different parts of the province, and we plan to expand because of the popular demand for an increase in these activities.

The department works with various local groups in promoting interest in the travel business. Our department plans the meetings when an area requests such a conference, and the average attendance at these meetings runs from 75 to 100. Those attending include tourist operators, retail merchants, restaurant proprietors, service station operators—in short, anyone interested in the tourist business.

The topics which are under discussion include area promotion, advertising and publicity, employer-employee relations, staff training, historical development and many other subjects. Sometimes, in a particular group of lectures, are included interior decorating, landscaping, entertainment, housekeeping, maintenance, accounting and so on.

There is an added feature; we show coloured 35 mm coloured slides on a number of topics used to illustrate the improvements in the industry. All the lecturers and speakers at these conferences are men of proven ability, as well as our own experts from the department.

Continuation of the expansion of these conferences is planned, and this will have a direct benefit to those interested in this field of the work. I mention that particularly because I have been approached on more than one occasion by people suggesting we should have such courses. And I want to announce here, to the hon. members of this House—so that if anyone suggests such a course, the hon. members will know—we do have the operation going and have the facilities to provide such a conference at a convenient time.

We do feel we are receiving good value for dollars spent. We do not like to make the boast too loudly or too often, but the fact is that Ontario enjoys over half of Canada's total business; Ontario always has, and, I fully expect, it always will.

To advance our position further in the travel world, the promotion efforts of my department will have to continue to be supplemented by advertising and promotion at regional and local levels. If this support can be augmented, I am sure that further good results will be visible.

I hope that all the hon. members of this House will help me by doing missionary work in their own constituencies, and convince their people that they can profit from the tourist business to any degree they wish, provided the development effort is maintained and increased.

May I just add my highest tribute to my Deputy Minister, the directors of my department, and all of my staff, who have worked so loyally and with the interest of the department at heart. I thank them for doing a good job.

It could not help but thrill me and give me great encouragement when I walked into the committee meeting yesterday, and saw the fine attendance by a representative group, which is personally interested in the travel business. Not only were there representatives from the association, but a wonderful attendance on the part of the hon. members of this House who form the committee; and a wonderful attendance on the part of the reporters from our press gallery.

Mr. Chairman, I must repeat, it is wonderfully encouraging to see people getting behind this programme that is my responsibility. I do want to thank you, Mr. Chairman, for the patience in listening to what I had to say.

It is now my duty to proceed with our estimates. It is impossible to cover all of these subjects in one report, and, therefore, I am open to questions and can assure this House I will answer them to the best of my ability.

MR. A. WREN (Kenora): Mr. Chairman, I would like to make a few general observations about The Department of Travel and Publicity, especially since it is so important to the part of Ontario in which I live. I might suggest, at the outset, that the hon. Minister might take some time to inform the hon. members of this House that this committee is a very important committee in the economy of the province of Ontario.

It is a little disconcerting to note that only about a quarter of the hon. members of the House, and a quarter of the hon. cabinet Ministers, are in their places to hear the hon. Minister of Travel and Publicity present his estimates.

AN HON. MEMBER: What about the hon. member's side of the House?

MR. WREN: I am talking about all the hon. members; I am excluding no one.

It is significant indeed that three-quarters of the hon. members from northwestern Ontario—one hon. member is unavoidably absent, the hon. member for Port Arthur (Mr. Ward-robe)—that three-quarters of the hon. members from northwestern Ontario, who have to travel 1,000 miles, in round figures, to attend a session, see fit to attend. I think a better attendance should be available from those who just have to cross the street.

I must make this comment, Mr. Chairman. In The Department of Planning and Development, in the trades and industry branch, there is an estimate this year of \$1.3 million in that branch, of that department alone, which is more than the entire estimates for The Department of Travel and Publicity. I am certain the hon. Minister of Planning and Development (Mr. Nickle) would be turning handsprings if he, or any of his officials, were to learn there is a \$250 million dollar industry available for the province of Ontario. And, he would be right in doing so.

Yet, we have in our midst, right in our province, a \$250 million industry to which we are not paying sufficient attention. I say this in all sincerity. I think a budget of something like \$1 million for travel and publicity—\$1,085,000—is totally inadequate to promote an industry as important as this.

I would say, that what we are doing is shooting Santa Claus, because we have, in Ontario, what I think are the best recreational facilities of any state or province or other jurisdiction in the North American continent.

One thing is most significant: despite the figures and statistics we might see about the number of visitors entering the province, actually, the fact of the matter is when the totals are added and the accounts are settled, our dollar volume of tourist business last year was down. That is not a very encourag-

ing situation because our balance of trade, tourist-wise, between Canada and the United States, is certainly seriously in deficit.

I make this suggestion, and I do so seriously and sincerely, that the hon. members of this House might well take The Department of Travel and Publicity very seriously and increase, I think with every justification, the amount of money requested by the hon. Minister and his department, so as to permit enlargement of this important work.

In doing that, I would make some reservation and I am going to get on to the subject again which is somewhat tabooed in this House, and somewhat tabooed in this province, and that is the subject of liquor.

One of the preponderating difficulties which people in this province have, who cater to the tourist dollar, is the inadequate and absolutely ridiculous liquor legislation controlling that particular product in this province. As the hon. member for Essex North (Mr. Reaume) said in committee the other day, we have a situation in Ontario where we are trying to cater to the "wet" and cater to the "dry" both at the same time, and I do not know just how far we can proceed with that kind of thinking.

It is very significant, and I think every hon. member of this House who would conscientiously examine his own activities would be free to admit, that very few gatherings take place in this province, or anywhere else in North America, where the serving of liquor does not take place.

We have a situation in Ontario where visitors come into the province willing to spend their vacation and dollars here, and run into a situation where they are compelled to resort to the most unrealistic methods in pursuing their vacation interests.

Let us be honest about it. These people want to have some alcoholic beverage, or at least, a great majority of these visitors want to have some alcoholic beverage, at their disposal.

I know in my part of the province many times visitors have had to travel great distances in order to reach an Ontario liquor outlet, to make a liquor purchase, and, as I mentioned during the Throne debate, once they leave the liquor store, they have their eye over their left shoulder to see if someone might be following them to observe any violation of The Liquor Act. We have the situation now, where we are setting up institutions to deal with alcoholism, but in the midst of it all there is no middle of the road policy in regard to this situation.

MR. A. H. COWLING (High Park): Mr. Chairman, would you permit a question just on that point? How would the hon. member handle the situation? He says we are either too much or too little, and that we should go down the middle of the road. How would the hon. member handle it?

MR. WREN: Well, I would be glad to answer the hon. member's question. We are discussing now The Department of Travel and Publicity, and tourist business connected with it.

I do not think there is any kind of business which can be established to cater to tourists where the investment would be very much less than \$40,000 or \$50,000. I think that would be rather a minimum investment, to cater to the people coming into the province and seeking accommodation.

Yet, we have a situation where people with that kind of investment, who are willing to risk that kind of money especially in such a hazardous seasonal business, who cannot be entrusted to have in their possession a sufficient amount of alcoholic beverage, in the form of beer or spirits, to serve to their customers. Yet we have the ridiculous situation on the opposite side where people who hold licences today of one kind or another are sometimes quite unrestricted in the manner in which they can serve liquor and beer.

In the Throne debate—I am glad the hon. member raised that question—a

remark of mine was mis-interpreted in the press, although it was quite correctly reported in *Hansard*, about places in this province where one could obtain any amount of liquor if he was prepared to pay the price in licenced premises and not bootleg.

I am prepared to read to this House a card which appeared in a licenced liquor control board establishment in the province of Ontario which reads as follows: It is headed "By way of suggestion."

For better service and to avoid waiting, request your waiter to serve you your favourite rye or Scotch by the bottle at the same prevailing menu prices. You will be charged for the portion consumed only. Thank you. The Manager.

In this case, in effect, by paying something like \$16, a person can obtain a full bottle of spirits, drink all or any part of it, and pay his check on the way out.

I am not suggesting that is a good thing by any means. But I am saying that we have a situation where a man and his wife and family will come into the province and enter an establishment which has an investment of from \$50,000 to \$100,000 and upwards, an establishment run by reputable people who have to say to him, "I am sorry, you cannot have a bottle of beer with your family; you cannot have a drink with your wife in this establishment because we do not have a licence to serve you."

As a result, the vacationer asks, "Where can I go?"

"Well, you go down the street and there is a beverage room. It might not be what you like, but it is the only place in the community I can send you to."

"Do they serve meals there?"

"They may or they may not, but it is the only place I can recommend if you want to have a drink with your meal."

Yet the owner of the restaurant or tourist establishment, or, in some cases,

a summer hotel property, is unable to provide that kind of accommodation.

Let us face it. Let us be realistic about it. If we are not prepared to say to these people that they can round out their vacation with the kind of lawful activity that they want to engage in, they are plainly and simply going to go somewhere else, and that is precisely what they are doing.

That is one of the main reasons why our tourist dollar income in Ontario is declining. Some people may say, "All you are suggesting is an increase in consumption of liquor and an increase in alcoholism." That just is not so.

Another aspect of our tourist trade is our passenger trains on the railroad. Every hon. member of this House has travelled on the railroads, and has seen both conditions. When I come to Toronto, I have to travel quite a distance; it takes a day or two to get here, so one knows pretty well when he does get here what is happening on the train.

A year or two ago, the liquor board authorized the sale of liquor on passenger trains on the trans-continental railroads, and I can say without hesitation that that action on the part of the government of Ontario has not only been very acceptable to the travelling public, it has certainly sharply reduced the consumption of liquor on the trains.

I say that because I can well remember the time when I was travelling back and forth to Toronto, and I have done it many dozens of times, when every second berth, and sometimes in fact every room, on a particular passenger train, had its 1, 2 or 3 bottles of liquor, and it was felt necessary to consume the entire contents before one arrived at one's destination in order not to carry it around, or in order not to be found in violation of the liquor Act on leaving the train, or for other reasons.

Today these conditions on these trains have changed. It is a very acceptable and a very desirable change. One will now see people on the train going into the club car, having their drink or two before dinner, or before retiring, as the

case may be, and that is it. They know perfectly well that during the legal hours of sale up until the midnight hour, they are free to enter that club car at any time and buy themselves a bottle of beer or a drink of whisky. Consequently, they have the one or two drinks they want and that is sufficient.

To suggest, as some people will, that I am trying to advocate an increase in the consumption of beer and liquor is just sheer fallacy, because the same thing is taking place in our tourist establishments. These people have to drive long distances to purchase spirits or beer, and consequently, they purchase far more than they normally would, and far more than they normally would require.

I suggest that the results of purchases of that kind are not good, and neither are they desirable. On the other side of the picture, the camp or the tourist establishment operator is placed in the unfortunate position where, whether he likes it or not, he has to become in one form or another, plainly and simply, a bootlegger. He may charge the guests in his camp only what he actually paid to the liquor board. In other words, if he bought a bottle of spirits for \$4, he might charge his guest only the \$4 it actually cost him. But in essence and in spirit, he is violating The Liquor Control Act.

He is not permitted, as hon. members all know, to give or sell or otherwise dispose of spirits in his possession purchased through the liquor control board of Ontario.

I suggest without any sense of frivolity at all that we have to come to grips with the liquor situation in Ontario. I am not saying this in a critical sense, nor do I want to be unkind to the hon. member for Beaches (Mr. Collings), who is on the liquor commission. That is not my intention at all.

I am just saying plainly and simply that if we want to encourage the holiday visitor to Ontario, one of the things we have to do it take a good look at our liquor legislation and our liquor

privileges and make them more realistic and more sensible.

I think I am safe in saying that 8 out of 10 people on holiday, and without abusing it, do like to have a drink at their leisure and in their own free time. We should recognize this. Any citizen of the province of Ontario — regardless of who he may be, as long as he has citizenship in this country — who is a responsible citizen and able to finance an establishment which will meet the requirements of the liquor control board, should be granted a licence. I think the licences should be freely granted.

This is especially true in suitable eating places where there is consumption of liquor with food. Everyone dealing with the liquor problem in North America says this is the best place of all to dispose of liquor, to be able to serve it with food. This is the most sensible, safest and most comfortable place to handle it. I believe we should have a good look at that and something should be done about it.

There is another aspect of our tourist trade which should be considered. I believe our restaurants in Ontario—I am not too familiar with other places—should get off the gravy train. That is an old saying with which we are all familiar, especially those of us in public life, when we have been accused in one form or another of “getting on the gravy train.” I think our restaurants should get off the gravy train because one of the things fundamentally wrong, and one of the important complaints we hear from visitors, is the handling and serving of food in this province.

I believe one of the most objectionable habits that our restaurants have is smearing gravy over everything they serve. We may get a fine northern Ontario lake or speckled trout or pickerel, and we sit at a table relishing the idea that this is going to be served, and when it gets to us it is smeared with gravy so we do not know whether it is the potatoes we like, or the fish, or the gravy.

This even extends right into our own parliamentary restaurant. I am a little

disturbed at times when I take an occasional visitor into the parliamentary dining room to have a meal. I am not saying anything derogatory about the civil servants or the people who serve us there; I think they are doing a fine job, but I think there could be a marked improvement. One of the first things visitors to a province, and to these buildings are impressed by, is a meal served in a distinctive Ontario manner. I believe that could be and should be done.

Without being too difficult, because the hon. member for Bruce (Mr. Whicher) was a bit severe the other day on Toronto, and I would not want to carry on from where he left off and get too rough with Toronto, but I would suggest to the hon. Minister of Travel and Publicity that he might include in his travel literature a suggestion that when a person visits Toronto it is not indicative of what he may find in Ontario.

Getting back to what I was speaking about a few minutes ago, those of us who come from the north country will perhaps notice it more than others might, but, seriously speaking, when one arrives in the city of Toronto on vacation, after midnight on Friday, he might better leave town and return, as many hon. members do, on Monday morning because there is nothing to do. This is a beautiful city with much for the visitor to enjoy, but certainly one could fire a cannon down Bay Street or Yonge Street on Sunday morning and would not hit anyone, and it is difficult even to find anyone to talk to.

MR. STEWART: There is always church.

MR. WREN: I have had that suggestion made to me. I talked with an individual and asked where all the people were on Sunday morning, and he said he did not really know but he thought one section of the Christian community was in bed, another in church, and the wealthy people were in Florida. Maybe that accounts for their absence.

I am not looking for any press publicity or anything else when I say this, but I think one of the metropolitan daily newspapers is perhaps taking a step in the right direction when it is seeking to break down — maybe that is not what it is intending to do, and I would not want to imply that it is — in any event, it is endeavouring to determine the prejudice there seems to be about week end and Sabbath day activities.

MR. COWLING: Mr. Chairman, on a point of privilege: the hon. member is rambling along here this afternoon as though we were having a chat, and making these remarks about part of the territory which I represent. I just cannot sit here and listen to it any longer.

One of the things we are really proud of in Toronto is the fact that we do have a nice quiet, peaceful week end. We believe in rest so that we can go over the problems of the week and prepare for the following week. We do not want to be like those big bustling towns in other areas where every day is a work day and every day is a play day. We like our quiet Saturdays and Sundays here in Toronto, and we want to keep them that way. As far as I am personally concerned I will do everything I can to keep Toronto just like it is.

I am not insinuating to the hon. member that they carry on like wild Indians up in Kenora on Saturday or Sunday, but just leave us as we are here in Toronto; we are getting along fine. Let us not disturb Sunday because it is for peace and quiet, rest and consideration.

MR. WREN: Mr. Chairman, I am quite content to leave Toronto as it is. But I would suggest to the hon. member that if he would visit us again in that grand and glorious part of the country known as northwestern Ontario, he would find he would have 3 times as much interest and activity, and would find on Monday morning that he was tremendously more rested than he would

be spending his time in this particular part of Ontario. As far as our wild Indians are concerned, I can assure the hon. member that I have seen many more white Indians running around hotel halls in this city than I have ever seen of the so-called wild ones where I come from.

MR. COWLING: I just said "wild Indian", I did not mention colour.

MR. WREN: Perhaps if we sat down in the Indian councils we might be able to learn a lot from them.

I just want to summarize, after this interruption by the hon. member for High Park, the point I am making. I do want the hon. Minister of Travel and Publicity to make it clear that visitors coming into Toronto on a week end will not get the mistaken idea that this is the kind of atmosphere they will find in the rest of Ontario, and to suggest to them that if the streets are deserted on Saturday and Sunday in this metropolitan Queen City, that all they need to do is get in their car and leave; and elsewhere a great many people will be ready to greet them and make the week end much more enjoyable.

I do not have a great deal more to say except to repeat what I have said in part in my remarks this afternoon. We have to look at the tourist industry and the liquor problem realistically. I realize this is not the responsibility of the present commissioner or the present government or any other individual. It is something that has grown on us which we have to handle and look at, and I seriously suggest that a commission or committee should be appointed to look into it and see what can be done, because plainly and simply, as I said at the outset, we are shooting Santa Claus.

The tourists are not prepared to stay in Ontario and spend their dollars apparently for that reason. I am not interested in any brewery or distillery or anything else, except the odd time when I may be interested in some of their products. But I do say that we have to face up to this, we have to look at it and do something about it.

I believe that The Department of Travel and Publicity is one of the most important departments in the government. We have a \$250 million industry right in our hands which can be expanded, it can be made greater without any smoke stacks, any smog or anything else that goes with it. It is here in our hands, and all we have to do is look after it, and I do seriously suggest we do something about it.

MR. COLLINGS: Mr. Chairman, I would think the hon. member would have given me a little encouragement because up in his riding we are building a beautiful new emporium for him, so we are at least taking care of the requirements of that area.

MR. WREN: Mr. Chairman, the emporium is not being built for me, it is being built for the people of Kenora.

MR. MacDONALD: Why is it called an emporium? That is a new one.

MR. W. G. NODEN (Rainy River): Mr. Chairman, I have enjoyed the remarks of the hon. Minister of Travel and Publicity, but I would like to draw to the attention of this House an impression which has just been given by the hon. member for Kenora. May I say that the liquor industry is not the vital issue as far as our tourist industry in northwestern Ontario is concerned.

Our tourist industry today is a large and important industry, and in our area we are selling the great outdoors—our lakes, streams and our large fish and game. We have a vacationland which no place else in Canada can equal. This is what we are selling, and we should commend our hon. Minister on the stand he has taken in seeing that that is being put forward to our friends to the south, who want to come and visit the great open spaces.

As far as the liquor for our guests is concerned, that is only one minor problem and I am sure the industry itself can take care of that. Our American friends who come with their families to

visit us are more interested in seeing what we have in the way of outdoor life.

I know our camp operators have headaches in keeping certain things away from their guests when they are in our area. They do not recommend that a guest should go out in a canoe with a bottle because there is a place for everything. However, I feel that in northwestern Ontario we have something to be proud of, the open spaces, the fresh air, the fish and game, the lakes and streams, to attract tourists.

MR. P. MANLEY (Stormont): Mr. Chairman, I was very much interested in what the hon. Minister had to say with regard to his department. It is a department in which I think we, as hon. members of this House, should all be interested.

I am particularly interested in it at this time owing to the part it can play with our development in eastern Ontario. As has been mentioned in the House on several occasions, during the last year we had 3,500 registered guests in the area. I would venture to say that number would double this year with the many projects which are taking place.

With the influx of people and the American tourist there is certainly a problem being created. We had the diversion of the old highway, and along the old highway we had certain establishments—motels, hotels and restaurants—and one of the problems today is that the motorist driving along gets on the new highway and the motels are not there. He does not know where he has to go to get accommodation.

This is going to increase as the years go on, and the department has a great job to do to acquaint the tourists and the people who visit the area as to where they can procure accommodation if they wish to stay overnight, and also where the restaurants and hotels are.

I know there are regulations enforced by The Department of Highways as to certain signs on the highways. But, owing to the fact of the development and the transition taking place, some-

thing should be worked out between The Department of Travel and Publicity and The Department of Highways and perhaps Hydro as well, so that we may be able to inform the public just where they are going and how they are going to get there.

I was interested in hearing the hon. Minister speak about the ambassadors of goodwill; we should all be ambassadors of goodwill. We all have a job to do if we want to place before the tourists the importance of Ontario as it is at the present time and as it is going to be.

The hon. Minister was invited into my area last spring as a guest of one of the service clubs, which I welcomed very much. I welcome any and all of the hon. members, because I believe it is a way of getting them acquainted with our area and the development that is taking place.

But this ambassador of goodwill came down, as I say, as a guest of the service club, and he was taken about by members of the club in the Cornwall area and down along the river, and the service clubs pointed out to him the advantages which could be derived by getting certain services from his department.

There was one particular incident brought to his attention that they had been hoping for, for some time and as yet had not received, and the remark the hon. Minister made at that time was: "Well, what can you expect when you are electing Peter Manley?" I want to say to hon. members of this House—

HON. MR. CATHCART: Mr. Chairman, on a point of order. I never made that statement in my life, and definitely when I was in the hon. member's area I did not make it. I would ask that the remark be withdrawn or have someone prove it. I never made that remark and I do not like the hon. member rising in the House and making a statement like that.

MR. MANLEY: I say I will welcome anyone into my county and I say that the statement, I am told, was made.

HON. MR. CATHCART: Then tell the Chairman who made it.

MR. MANLEY: I say to you, Mr. Chairman, I will welcome anyone coming into the county when there is an election on, and they can tell the people whether I should represent them or not, and I will abide by their decision.

HON. MR. CATHCART: The hon. member, Mr. Chairman, knows my feelings towards him, that I have always had a high regard and respect for him as an hon. member of this House. I have never indicated anything else, and I think I am far above making a statement like that in the hon. member's riding or any place in this world.

I dare any hon. member to rise and say that I talked that way about my colleagues in this House. I think the hon. member should state to this House who said that. I think that that statement should either be withdrawn or the hon. member should bring the man forward and let him support his statement. I did not make it, and I ask that it be withdrawn.

MR. MANLEY: Mr. Chairman, I do not like that impression to go about. I am the furthest one to try to make that impression that the government, or any of the hon. members of the government, would go about the province and try to impress upon people in the different counties that unless they have an hon. member on their side of the House, that they are not going to get anything one way or another, whatever the case may be. I do not want to leave the impression.

HON. MR. CATHCART: Mr. Chairman, I do not like it either. I do not think any one should take that stand. I want the statement withdrawn.

THE CHAIRMAN: The hon. Minister has denied having made that state-

ment. The hon. member must either withdraw the statement or prove it.

MR. MANLEY: Mr. Chairman, I was told that the statement was made.

THE CHAIRMAN: That is hear-say. That is not true. The hon. member may withdraw it or provide proof of that statement.

MR. MANLEY: Do I have to prove it today?

HON. MR. CATHCART: Of course the hon. member has to prove it today.

MR. MANLEY: Am I required to produce the evidence today?

HON. MR. CATHCART: Of course. In all fairness, it is a wrong statement. I refute it and it would be unfair to allow it to go on the record.

THE CHAIRMAN: The hon. member may withdraw it.

MR. MANLEY: Mr. Chairman, I am just taking the word of the hon. Minister. I hope that the hon. Minister never said it. It has been mentioned to me that it was said, and I am willing to withdraw it in that respect.

THE CHAIRMAN: I do not like the hon. member's way of withdrawing it. The hon. member said he is just taking the hon. Minister's word.

MR. MANLEY: Well, I have to take the hon. Minister's word that he did not say it, Mr. Chairman, and I am withdrawing it.

THE CHAIRMAN: The hon. member is withdrawing the statement?

MR. MANLEY: I am withdrawing it, yes, but I still do not like it.

Vote 2,001 agreed to.

Vote 2,002 agreed to.

MR. H. C. NIXON (Brant): Mr. Chairman, we have a planning and development item. I do not see much development activity in it, but the development seems to be to the extent of \$211,000. Just what activity is it engaged in?

HON. MR. CATHCART: Mr. Chairman, I think it is understandable that, in making a report, it is impossible to cover all of the items that one would like to mention. The development branch predominantly has the responsibility of the inspection of our establishments throughout the province, with the exception of those within the confines of a city or an organized municipality. We have about 12 permanent year-round inspectors, and we take on about 12 more during the summer months.

That is one of the important jobs. They inspect these establishments in almost every respect. I mentioned that they are also responsible for the courses, the tourist conferences that we hold to advise and assist and counsel either people who intend to build a new operation or those that are already in business.

I think that possibly those are the two items that are of greatest importance from the development branch.

MR. NIXON: Well, I do not know under what other item I might bring this to your attention, Mr. Chairman. But the hon. Minister did make a reference to Fort Henry, and I have been at a loss to understand why such development activities as Fort Henry should not be under this development.

The hon. Prime Minister (Mr. Frost) just recently made reference to the fact that The Department of Highways is considerably overloaded with work. Why should it be responsible for the development of such a tourist attraction as Fort Henry, spending \$185,000 on it, as hon. members will see in The Department of Highways estimate, when it seems so obvious to me that such activity should be under this department?

Again, we have in Burlington the old Brant museum, which does not seem to receive the publicity and interest that it should receive while under The Department of Highways. There has been some suggestion that the museum should be completely done away with and the space made available for some other purposes entirely.

This museum will be at the cross-roads of one of the most important highway sections of the province when we have the new bridge constructed, and I have no doubt there will be great interest in it in the future. The Brant museum also seems to me to be more properly within the scope of The Department of Travel and Publicity than of The Department of Highways. These activities can be very properly executed in the development branch and taken away from The Department of Highways, which possibly does not have the same interest now that it had years ago, when it is so busy in the actual construction programme of highways in this province.

MR. T. D. THOMAS (Oshawa): Mr. Chairman, I wonder if you would permit me to go back to vote 2,002? It got by me. I would like to ask a question of the hon. Minister. The question is respecting publicity, and according to the public accounts for 1956, the total paid out was \$419,763, and I find that the McKim Advertising Company received \$102,868, and Johnston & Company received \$64,503.63. There was a total of \$167,371 going to two companies.

I wonder what is the procedure for the department? Does the hon. Minister advertise or invite tenders for any publications or does he just hand it out to anybody he likes?

HON. MR. CATHCART: No. Our procedure is, when a publication is to be called, the request is made to the Queen's printer for tenders to be submitted on possibly the design of last year's publication. Tenders are submitted, then a choice is made. The tender is given to a contractor or printer.

As hon. members know, most of our publications are not just plain publications we send out for printing. The material has to be designed, decisions made as to colour and the pictures that will go into it, and so on. The company then sends a man in to sit in with our director of publicity and come up with a design, always keeping in mind the cost.

MR. THOMAS: That item would be for designing, too, I suppose?

HON. MR. CATHCART: Yes. But the price that is submitted is based on the design of last year. If we add to that, either in size or what have you, we may pay some additional for the little extra that we may include, in order to come up with a little better brochure than we had the year before.

This year's brochure, our lure book, which is on the printing press at the moment, will be available for distribution within a matter of a very short time. I am extremely pleased with it, because last year's lure book was sent out as a sample copy.

We had some 8 or 10 tenders submitted. It means a lot of work on the part of the printers because they have to come up with a proof that costs them money. We gained ideas from those 8 or 10 proofs that were submitted, with the result that I am waiting patiently, having seen the proofs, for that lure book to be placed on the desks because I think hon. members will find it is quite an improvement. We gain from the presentations made by the proofs from different companies. There is an advantage in calling for tenders.

MR. MacDONALD: Mr. Chairman, now that that item has been opened up again, there was one question I wanted to ask on that with regard to this publication *Ontario Government Services*.

I want to make a mild protest. A government is made up of not just all the department heads and hon. Ministers, but also of the hon. opposition members

in the Legislature, and therefore "government" news should include some indication of opposition views.

I know this is a very difficult thing to hold in balance. But certainly when the department has an *Ontario Government Services* publication going out, there should be contained in it some news regarding what opposition parties may have expressed in reference to particular policies, and not only what the hon. Minister is stating or what is being announced by his department.

I suggest, for the hon. Minister's attention—since the *Ontario Government Services* publication is patterned in a good part on one which was initiated in the province of Saskatchewan in 1944 or 1945—that he look at some recent issues of that publication.

He will find on page 1, following the recent speech from the Throne in Saskatchewan, the main presentation of government on the left-hand front page, and the main presentation of the hon. leader of the opposition on the right-hand front page.

I think that would be a fairer and a more accurate presentation of government news. In that way, we would not lead our people into believing that government in the province of Ontario is made up of only one party.

HON. MR. CATHCART: Mr. Chairman, if I may just take a moment to reply, the *Ontario Government Services* paper is publicized or produced to tell the people of the services of the Ontario government. I think hon. members will agree that in the *Ontario Government Services*, we have not necessarily publicized the hon. Ministers of the government, unless possibly an article deals with an official opening of a hospital or whatever it may be.

Of course, the hon. Minister of that department is then present, and we may produce it, but I do not think we have flooded it or saturated it by any means with the pictures of the different hon. Ministers of the government.

I may be in 2 or 3 times myself, but I happen to be the Minister of Travel and Publicity, and since it goes out to 100,000 people or so, I just cannot resist the temptation of saying to the director: "Would you not put my picture in there?"

HON. DANA PORTER (Provincial Treasurer): I do not think he has ever put my picture in yet.

MR. MacDONALD: I think so.

HON. MR. PORTER: Well, I have never recognized it.

MR. MacDONALD: Maybe the picture was a poor one.

HON. MR. CATHCART: I was afraid, Mr. Chairman, the hon. member was going to say I had myself in there too often. I have had it in an odd time.

HON. MR. PORTER: Have they not something out in Saskatchewan?

MR. MacDONALD: Yes. As a matter of fact, I want to ask another question. On one occasion, when this publication was being discussed privately, a certain official in the hon. Minister's department made the observation that this was modelled on a similar publication that is turned out in Saskatchewan. My simple protest is, it is not exactly modelled on it—in the manner which I have indicated.

I am not minimizing the difficulties in getting the right balance between government and opposition views because this is a government service and inevitably the department members and government programmes are going to get major coverage. But surely in the speech from the Throne which outlines the government programme, in a Legislature where the opposition plays an acknowledged role, the views of the opposition with regard to that programme should have an equally valid place in the publication.

I just suggest that the hon. Minister take a look at the Saskatchewan publication for a balance that does not do injustice to anybody. He will find it in some of the recent ones, about 3 or 4 weeks ago, on the opening of the Legislature in Saskatchewan.

HON. MR. CATHCART: I must say, Mr. Chairman, that the hon. member is very fair in what he is putting before the House. But I, as the administrator of the department, have been given to understand that the *Ontario Government Services* is to publicize government services, what goes out at Queen's Park and so on, and I have never given any thought to suggesting to the director of publicity that he should quote in the *Ontario Government Services* the particular speeches in relation to what goes on in this House.

MR. MacDONALD: Would the hon. Minister concede this: If it is restricted to just what the hon. Minister has done, inevitably it is going to be little more than an organ for the Conservative party, because the Conservative party is in power. I am not being provocative. I am trying to present this in a fair fashion.

HON. MR. CATHCART: In all fairness, would not that be a good thing, since we have this great government now?

MR. MacDONALD: I will tell the hon. Minister how it might end. It might end in perpetuating this government in the same way the Liberals are perpetuating their government in Ottawa.

HON. MR. CATHCART: May I say there is no intention of doing that. I have particularly mentioned it to our director a number of times, since I have been over, that he keep this service paper free of politics. It is definitely publicized for the benefit of the people of this province.

HON. MR. PORTER: The hon. member cannot compare it with that great political machine they have down in Ottawa, with the radio and television and everything. This is a most factual sheet, almost to the point of being colourless. We are so careful to make it factual.

MR. MacDONALD: Perhaps if the government would put in some of the views of the opposition, with regard to government policy, it would have more colour.

HON. MR. PORTER: All we do in this paper is put the record of what the Legislature has decided. That is a public document. It is not to summarize argument, or we really would get in trouble because we never summarize the hon. member's argument quite right.

MR. MacDONALD: Do not worry about that. I am willing to run the risk of how the hon. Minister would summarize my argument.

Vote 2,003 agreed to.

Vote 2,004 agreed to.

MR. COWLING: Mr. Chairman, on vote 2,005, the hon. Minister was outlining that tour of the United States editors. The hon. members who have been in on some of the meetings were, I know, very much impressed with the wonderful job the department is doing.

I was just wondering if any consideration has been given to inviting, say, Ontario editors or a group of Canadian editors to sit in with these United States people. I know that the value of their trip is worth many thousands of dollars. It could not be added up in money.

At the same time — and that is why I am asking the question, because I do not know — are we giving our Canadian newspaper editors and Ontario editors the same kind of opportunity to see what we have here in our province? I think that so often all of us are guilty of making out that far-away fields look greener.

We are trying to impress the people in far-away places with what we have here, when many times we should be impressing the people who live right here with the great place we have. Maybe the hon. Minister would like to comment on that.

HON. MR. CATHCART: Mr. Chairman, of course, in having this annual tour of the United States editors, we recognize as a result of that 12-day trip they go back into their 30 different states. I said in my talk, that we receive more real benefit from one of those columns than we do from a full-page advertisement. That is my candid opinion, and as I showed hon. members up there, here is the sheaf of clippings that have come back from the United States. From the bottom of their hearts the editors tell the world at large and their own people what a great province this is.

Last year on our annual tour we arranged for at least one of our Canadian newspaper reporters to go along on the entire trip, so that we could send messages back, and our reporters and newspaper people met these United States editors continually as they went through on their tour.

What the hon. member is saying, I presume, is that we could well provide a similar Canadian editor tour in the same way as we do for the United States editors.

MR. STEWART: And take our whole Ontario Legislature press gallery.

MR. T. D. THOMAS: Mr. Chairman, in respect to that particular item, I know the hon. Minister is a very modest man, and he would not wish to take the credit for all the benefits derived from such a tour as this. I think the hon. Minister will remember that, when the editors were in Oshawa some 3 or 4 years ago, the General Motors paid for a banquet for all those people. I do not think the hon. Minister should take all the credit for it, he should give some credit to industry, too.

HON. MR. CATHCART: Mr. Chairman, if you take a look at *Hansard* you will see that I specifically mentioned industry, chambers of commerce, the hotel association. I mentioned each one of them, and said that without their assistance this tour could not have been the success it was. I am sure some of the hon. members remember that.

We do not take all the credit, all we do is create the agenda, plan it, and give guidance along with 4 or 5 of our staff, or how many we can spare, to go along and assist. We are met in the municipality, which puts on a dinner, and in some cases provides accommodation for the night. Transportation is arranged by the transportation companies free of charge, and it is really a very economical trip insofar as the province of Ontario is concerned. I am sorry if I left the wrong impression.

MR. T. D. THOMAS: I am sorry, I apologize, I did not hear that.

Vote 2,005 agreed to.

Hon. Mr. Porter moves that the committee do now rise and report certain resolutions.

The House resumed; Mr. Speaker in the chair.

MR. JANES: Mr. Speaker, the committee of supply begs to report that it has come to certain resolutions, moves the adoption of the report, and begs to leave to sit again.

Motion agreed to; report adopted.

HON. MR. PORTER: Mr. Speaker, on Monday we shall continue with the estimates of The Department of Education and possibly with those of The Department of Agriculture, and it is possible that we will also continue with the Throne debate.

Hon. Mr. Porter moves the adjournment of the House.

Motion agreed to.

The House adjourned at 4.17 of the clock p.m.

JOURNALS AND PROCEDURAL RESEARCH BRANCH
DIRECTION DES JOURNAUX ET DES RECHERCHES EN PROCEDURE
ROOM 1640, WHITNEY BLOCK
QUEEN'S PARK, TORONTO, ON M7A 1A2

